

Furthermore, the following international agencies have recommended the use of medical marijuana: the Canadian government, the British Medical Association, the French Ministry of Health, the Israel Health Ministry, and the Australian National Task Force on Cannabis.

Even the DEA has registered eight researchers to further examine the possible medicinal benefits of smoking marijuana.

This obviously is an ongoing debate. The citizens and legislatures of ten states have spoken. I believe the DEA should suspend its raids of medical marijuana providers in these states and place such efforts at the bottom of its list of priorities.

Since Ms. Tandy is unwilling to yield at all on this point, I respectfully oppose her nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

STATE CHILDREN'S HEALTH INSURANCE PROGRAM

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2854.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2854) to amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements regarding this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2854) was read the third time and passed.

SOCIAL SECURITY ACT AMENDMENT

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1547 introduced earlier today by Senators BINGAMAN and DOMENICI.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1547) to amend title XXI of the Social Security Act to make a technical correction with respect to the definition of qualifying State.

There being no objection, the Senate proceeded to consider the bill.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the bill be

read three times and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1547) was read the third time and passed as follows:

S. 1547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL CORRECTION RELATING TO THE DEFINITION OF QUALIFYING STATE UNDER TITLE XXI OF THE SOCIAL SECURITY ACT.

Effective as if included in the enactment of H.R. 2854, 108th Congress, section 2105(g)(2) of the Social Security Act, as added by section 1(b) of H.R. 2854, 108th Congress, as passed by the House of Representatives on July 25, 2003, is amended by striking "185" the first place it appears and inserting "184".

FAMILY FARMER BANKRUPTCY RELIEF ACT OF 2003

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Senate immediately proceed to the consideration of H.R. 2465.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2465) to extend for six months the period for which chapter 12 of title 11 the United States Code is reenacted.

There being no objection, the Senate proceeded to consider the bill.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2465) was read the third time and passed.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 172, S. 1025.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1025) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Select Committee on Intelligence, with amendments, as follows:

[Strike the parts shown in black brackets and insert the part shown in italic.]

S. 1025

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2004".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Intelligence Community Management Account.

Sec. 105. Incorporation of reporting requirements.

Sec. 106. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law.

Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

Sec. 311. Modification of authority to obligate and expend certain funds for intelligence activities.

Sec. 312. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.

Sec. 313. Use of funds for counterdrug and counterterrorism activities for Colombia.

Sec. 314. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.

Sec. 315. Pilot program on training for intelligence analysts.

Sec. 316. Extension of National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.

Subtitle C—Surveillance

Sec. 321. Clarification and modification of sunset of surveillance-related amendments made by USA PATRIOT ACT of 2001.

Subtitle D—Reports

Sec. 331. Report on cleared insider threat to classified computer networks.

Sec. 332. Report on security background investigations and security clearance procedures of the Federal Government.

Sec. 333. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense.

Sec. 334. Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes.

Sec. 335. Report of Secretary of Defense and Director of Central Intelligence on strategic planning.

Sec. 336. Report on United States dependence on computer hardware and software manufactured overseas.

Sec. 337. Report on lessons learned from military operations in Iraq.

Sec. 338. Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions.

Sec. 339. Repeal of certain report requirements relating to intelligence activities.

Subtitle E—Other Matters

Sec. 351. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.

Sec. 352. Modifications of authorities on explosive materials.

Sec. 353. Modification of prohibition on the naturalization of certain persons.

Sec. 354. Modification to definition of financial institution in the Right to Financial Privacy Act.

Sec. 355. Coordination of Federal Government research on security evaluations.

Sec. 356. Technical amendments.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Amendment to certain Central Intelligence Agency Act of 1949 notification requirements.

Sec. 402. Protection of certain Central Intelligence Agency personnel from tort liability.

Sec. 403. Repeal of obsolete limitation on use of funds in Central Services Working Capital Fund.

Sec. 404. Technical amendment to Federal Information Security Management Act of 2002.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

[Sec. 501. Protection of operational files of the National Security Agency.]

Sec. 501. *Protection of operational files of the National Security Agency.*

[Sec. 502. Provision of affordable living quarters for certain students working at National Security Agency laboratory.]

Sec. [503] 502. Protection of certain National Security Agency personnel from tort liability.

[Sec. 504. Authority for intelligence community elements of Department of Defense to award personal service contracts.]

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The National Reconnaissance Office.
- (11) The National Imagery and Mapping Agency.
- (12) The Coast Guard.
- (13) The Department of Homeland Security.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of Sep-

tember 30, 2004, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill ____ of the One Hundred Eighth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2004 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2004 the sum of \$198,390,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2005.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 310 full-time personnel as of September 30, 2004. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2004 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2005.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2004, there are also authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2004

any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), \$37,090,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2005, and funds provided for procurement purposes shall remain available until September 30, 2006.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. INCORPORATION OF REPORTING REQUIREMENTS.

(a) IN GENERAL.—Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill ____ of the One Hundred Eighth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

(b) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term “congressional intelligence committees” means—

- (1) the Select Committee on Intelligence of the Senate; and
- (2) the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 106. PREPARATION AND SUBMITTAL OF REPORTS, REVIEWS, STUDIES, AND PLANS RELATING TO INTELLIGENCE ACTIVITIES OF DEPARTMENT OF DEFENSE OR DEPARTMENT OF ENERGY.

(a) CONSULTATION IN PREPARATION.—(1) The Director of Central Intelligence shall ensure that any report, review, study, or plan required to be prepared or conducted by a provision of this Act, including a provision of the classified Schedule of Authorizations referred to in section 102(a) or the classified annex to this Act, that involves the intelligence or intelligence-related activities of the Department of Defense or the Department of Energy is prepared or conducted in consultation with the Secretary of Defense or the Secretary of Energy, as appropriate.

(2) The Secretary of Defense or the Secretary of Energy may carry out any consultation required by this subsection through an official of the Department of Defense or the Department of Energy, as the case may be, designated by such Secretary for that purpose.

(b) SUBMITTAL.—Any report, review, study, or plan referred to in subsection (a) shall be

submitted, in addition to any other committee of Congress specified for submittal in the provision concerned, to the following committees of Congress:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2004 the sum of \$226,400,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

Subtitle B—Intelligence

SEC. 311. MODIFICATION OF AUTHORITY TO OBLIGATE AND EXPEND CERTAIN FUNDS FOR INTELLIGENCE ACTIVITIES.

Section 504(a)(3) of the National Security Act of 1947 (50 U.S.C. 414(a)(3)) is amended—

(1) by inserting “and” at the end of subparagraph (A);

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

SEC. 312. MODIFICATION OF NOTICE AND WAIT REQUIREMENTS ON PROJECTS TO CONSTRUCT OR IMPROVE INTELLIGENCE COMMUNITY FACILITIES.

(a) INCREASE OF THRESHOLDS FOR NOTICE.—Subsection (a) of section 602 of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103-359; 108 Stat. 3432; 50 U.S.C. 403-2b(a)) is amended—

(1) by striking “\$750,000” each place it appears and inserting “\$5,000,000”; and

(2) by striking “\$500,000” each place it appears and inserting “\$1,000,000”.

(b) NOTICE AND WAIT REQUIREMENTS FOR EMERGENCY PROJECTS.—Subsection (b)(2) of that section is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting “(A)” after “(2) REPORT.—”;

(3) by striking “21-day period” and inserting “7-day period”; and

(4) by adding at the end the following new subparagraph:

“(B) Notwithstanding subparagraph (A), a project referred to in paragraph (1) may begin on the date the notification is received by the appropriate committees of Congress under that paragraph if the Director of Central Intelligence and the Secretary of Defense jointly determine that—

“(i) an emergency exists with respect to the national security or the protection of health, safety, or environmental quality; and

“(ii) any delay in the commencement of the project would harm any or all of those interests.”.

SEC. 313. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) AUTHORITY.—Funds designated for intelligence or intelligence-related purposes for assistance to the Government of Colombia for counterdrug activities for fiscal year 2004, and any unobligated funds available to any element of the intelligence community for such activities for a prior fiscal year, shall be available—

(1) to support a unified campaign against narcotics trafficking and against activities by organizations designated as terrorist organizations (such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)); and

(2) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) TERMINATION OF AUTHORITY.—The authority provided in subsection (a) shall cease to be effective if the Secretary of Defense has credible evidence that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.

(c) APPLICATION OF CERTAIN PROVISIONS OF LAW.—Sections 556, 567, and 568 of Public Law 107-115, section 8093 of the Department of Defense Appropriations Act, 2002, and the numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of Public Law 106-246 shall be applicable to funds made available pursuant to the authority contained in subsection (a).

(d) LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.—No United States Armed Forces personnel or United States civilian contractor employed by the United States will participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting in self defense or rescuing any United States citizen to include United States Armed Forces personnel, United States civilian employees, and civilian contractors employed by the United States.

SEC. 314. PILOT PROGRAM ON ANALYSIS OF SIGNALS AND OTHER INTELLIGENCE BY INTELLIGENCE ANALYSTS OF VARIOUS ELEMENTS OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—The Director of Central Intelligence shall carry out a pilot program to assess the feasibility and advisability of permitting intelligence analysts of various elements of the intelligence community to access and analyze intelligence from the databases of other elements of the intelligence community in order to achieve the objectives set forth in subsection (c).

(b) COVERED INTELLIGENCE.—The intelligence to be analyzed under the pilot program under subsection (a) shall include the following:

(1) Signals intelligence of the National Security Agency.

(2) Such intelligence of other elements of the intelligence community as the Director shall select for purposes of the pilot program.

(c) OBJECTIVES.—The objectives set forth in this subsection are as follows:

(1) To enhance the capacity of the intelligence community to undertake so-called “all source fusion” analysis in support of the intelligence and intelligence-related missions of the intelligence community.

(2) To reduce, to the extent practicable, the amount of intelligence collected by the intelligence community that is not assessed, or reviewed, by intelligence analysts.

(3) To reduce the burdens imposed on analytical personnel of the elements of the intelligence community by current practices regarding the sharing of intelligence among elements of the intelligence community.

(d) COMMENCEMENT.—The Director shall commence the pilot program under subsection (a) not later than December 31, 2003.

(e) VARIOUS MECHANISMS REQUIRED.—In carrying out the pilot program under subsection (a), the Director shall develop and utilize various mechanisms to facilitate the access to, and the analysis of, intelligence in the databases of the intelligence community by intelligence analysts of other elements of the intelligence community, including the use of so-called “detailees in place”.

(f) SECURITY.—(1) In carrying out the pilot program under subsection (a), the Director shall take appropriate actions to protect against the disclosure and unauthorized use of intelligence in the databases of the elements of the intelligence community which may endanger sources and methods which (as determined by the Director) warrant protection.

(2) The actions taken under paragraph (1) shall include the provision of training on the accessing and handling of information in the databases of various elements of the intelligence community and the establishment of limitations on access to information in such databases to United States persons.

(g) ASSESSMENT.—Not later than February 1, 2004, after the commencement under subsection (d) of the pilot program under subsection (a), the Under Secretary of Defense for Intelligence and the Assistant Director of Central Intelligence for Analysis and Production shall jointly carry out an assessment of the progress of the pilot program in meeting the objectives set forth in subsection (c).

(h) REPORT.—(1) The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the assessment carried out under subsection (g).

(2) The report shall include—

(A) a description of the pilot program under subsection (a);

(B) the findings of the Under Secretary and Assistant Director as a result of the assessment;

(C) any recommendations regarding the pilot program that the Under Secretary and the Assistant Director jointly consider appropriate in light of the assessment; and

(D) any recommendations that the Director and Secretary consider appropriate for purposes of the report.

(i) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

SEC. 315. PILOT PROGRAM ON TRAINING FOR INTELLIGENCE ANALYSTS.

(a) PILOT PROGRAM REQUIRED.—(1) The Director of Central Intelligence shall carry out a pilot program to assess the feasibility and advisability of providing for the preparation of selected students for availability for employment as intelligence analysts for the intelligence and intelligence-related activities of the United States through a training program similar to the Reserve Officers' Training Corps programs of the Department of Defense.

(2) The pilot program shall be known as the Intelligence Community Analyst Training Program.

(b) ELEMENTS.—In carrying out the pilot program under subsection (a), the Director shall establish and maintain one or more cadres of students who—

(1) participate in such training as intelligence analysts as the Director considers appropriate; and

(2) upon completion of such training, are available for employment as intelligence analysts under such terms and conditions as the Director considers appropriate.

(c) DURATION.—The Director shall carry out the pilot program under subsection (a) during fiscal years 2004 through 2006.

(d) LIMITATION ON NUMBER OF MEMBERS DURING FISCAL YEAR 2004.—The total number of individuals participating in the pilot program under subsection (a) during fiscal year 2004 may not exceed 150 students.

(e) RESPONSIBILITY.—The Director shall carry out the pilot program under subsection (a) through the Assistant Director of Central Intelligence for Analysis and Production.

(f) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Director shall submit to Congress a preliminary report on the pilot program under subsection (a), including a description of the pilot program and the authorities to be utilized in carrying out the pilot program.

(2) Not later than one year after the commencement of the pilot program, the Director shall submit to Congress a report on the pilot program. The report shall include—

(A) a description of the activities under the pilot program, including the number of individuals who participated in the pilot program and the training provided such individuals under the pilot program;

(B) an assessment of the effectiveness of the pilot program in meeting the purpose of the pilot program; and

(C) any recommendations for additional legislative or administrative action that the Director considers appropriate in light of the pilot program.

(g) FUNDING.—Of the amounts authorized to be appropriated by this Act, \$8,000,000 shall be available in fiscal year 2004 to carry out this section.

SEC. 316. EXTENSION OF NATIONAL COMMISSION FOR THE REVIEW OF THE RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

Section 1007(a) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2442; 50 U.S.C. 401 note) is amended by striking “September 1, 2003,” and inserting “September 1, 2004.”

Subtitle C—Surveillance

SEC. 321. CLARIFICATION AND MODIFICATION OF SUNSET OF SURVEILLANCE-RELATED AMENDMENTS MADE BY USA PATRIOT ACT OF 2001.

(a) CLARIFICATION.—Section 224 of the USA PATRIOT ACT of 2001 (Public Law 107-56; 115 Stat. 295) is amended by adding at the end the following new subsection:

“(c) EFFECT OF SUNSET.—Effective on December 31, 2005, each provision of law the amendment of which is sunset by subsection (a) shall be revived so as to be in effect as such provision of law was in effect on October 25, 2001.”

(b) MODIFICATION.—Subsection (a) of that section is amended by inserting “204,” after “203(c).”

Subtitle D—Reports

SEC. 331. REPORT ON CLEARED INSIDER THREAT TO CLASSIFIED COMPUTER NETWORKS.

(a) REPORT REQUIRED.—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the risks to the national security of the United States

of the current computer security practices of the elements of the intelligence community and of the Department of Defense.

(b) ASSESSMENTS.—The report under subsection (a) shall include an assessment of the following:

(1) The vulnerability of the computers and computer systems of the elements of the intelligence community, and of the Department of Defense, to various threats from foreign governments, international terrorist organizations, and organized crime, including information warfare (IW), Information Operations (IO), Computer Network Exploitation (CNE), and Computer Network Attack (CNA).

(2) The risks of providing users of local area networks (LANs) or wide-area networks (WANs) of computers that include classified information with capabilities for electronic mail, upload and download, or removable storage media without also deploying comprehensive computer firewalls, accountability procedures, or other appropriate security controls.

(3) Any other matters that the Director and the Secretary jointly consider appropriate for purposes of the report.

(c) INFORMATION ON ACCESS TO NETWORKS.—The report under subsection (a) shall also include information as follows:

(1) An estimate of the number of access points on each classified computer or computer system of an element of the intelligence community or the Department of Defense that permit unsupervised uploading or downloading of classified information, set forth by level of classification.

(2) An estimate of the number of individuals utilizing such computers or computer systems who have access to input-output devices on such computers or computer systems.

(3) A description of the policies and procedures governing the security of the access points referred to in paragraph (1), and an assessment of the adequacy of such policies and procedures.

(4) An assessment of viability of utilizing other technologies (including so-called “thin client servers”) to achieve enhanced security of such computers and computer systems through more rigorous control of access to such computers and computer systems.

(d) RECOMMENDATIONS.—The report under subsection (a) shall also include such recommendations for modifications or improvements of the current computer security practices of the elements of the intelligence community, and of the Department of Defense, as the Director and the Secretary jointly consider appropriate as a result of the assessments under subsection (b) and the information under subsection (c).

(e) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(f) FORM.—The report under subsection (a) may be submitted in classified or unclassified form, at the election of the Director.

(g) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

(2) The term “elements of the intelligence community” means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 332. REPORT ON SECURITY BACKGROUND INVESTIGATIONS AND SECURITY CLEARANCE PROCEDURES OF THE FEDERAL GOVERNMENT.

(a) REPORT REQUIRED.—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the utility and effectiveness of the current security background investigations and security clearance procedures of the Federal Government in meeting the purposes of such investigations and procedures.

(b) PARTICULAR REPORT MATTERS.—In preparing the report, the Director and the Secretary shall address in particular the following:

(1) A comparison of the costs and benefits of conducting background investigations for Secret clearance with the costs and benefits of conducting full field background investigations.

(2) The standards governing the revocation of security clearances.

(c) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations for modifications or improvements of the current security background investigations or security clearance procedures of the Federal Government as the Director and the Secretary jointly consider appropriate as a result of the preparation of the report under that subsection.

(d) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 333. REPORT ON DETAIL OF CIVILIAN INTELLIGENCE PERSONNEL AMONG ELEMENTS OF THE INTELLIGENCE COMMUNITY AND THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—The heads of the elements of the intelligence community shall jointly submit to the appropriate committees of Congress a report on means of improving the detail or transfer of civilian intelligence personnel between and among the various elements of the intelligence community for the purpose of enhancing the flexibility and effectiveness of the intelligence community in responding to changes in requirements for the collection, analysis, and dissemination of intelligence.

(b) REPORT ELEMENTS.—The report under subsection (a) shall—

(1) set forth a variety of proposals on means of improving the detail or transfer of civilian intelligence personnel as described in that subsection;

(2) identify the proposal or proposals determined by the heads of the elements of the intelligence community to be most likely to meet the purpose described in that subsection; and

(3) include such recommendations for such legislative or administrative action as the heads of the elements of the intelligence community consider appropriate to implement the proposal or proposals identified under paragraph (2).

(c) SUBMITTAL DATE.—The report under subsection (a) shall be submitted not later than February 15, 2004.

(d) DEFINITIONS.—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

(2) The term "elements of the intelligence community" means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(3) The term "heads of the elements of the intelligence community" includes the Secretary of Defense with respect to each element of the intelligence community within the Department of Defense or the military departments.

SEC. 334. REPORT ON MODIFICATIONS OF POLICY AND LAW ON CLASSIFIED INFORMATION TO FACILITATE SHARING OF INFORMATION FOR NATIONAL SECURITY PURPOSES.

(a) REPORT.—Not later than four months after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report that—

(1) identifies impediments in current policy and regulations to the sharing of classified information horizontally across and among Federal departments and agencies, and between Federal departments and agencies and vertically to and from agencies of State and local governments and the private sector, for national security purposes, including homeland security;

(2) proposes appropriate modifications of policy, law, and regulations to eliminate such impediments in order to facilitate such sharing of classified information for homeland security purposes, including homeland security; and

(3) outlines a plan of action (including appropriate milestones and funding) to establish the Terrorist Threat Integration Center as called for in the Information on the State of the Union given by the President to Congress under section 3 of Article II of the Constitution of the United States in 2003.

(b) CONSIDERATIONS.—In preparing the report under subsection (a), the President shall—

(1) consider the extent to which the reliance on a document-based approach to the protection of classified information impedes the sharing of classified information; and

(2) consider the extent to which the utilization of a database-based approach, or other electronic approach, to the protection of classified information might facilitate the sharing of classified information.

(c) COORDINATION WITH OTHER INFORMATION SHARING ACTIVITIES.—In preparing the report under subsection (a), the President shall, to the maximum extent practicable, take into account actions being undertaken under the Homeland Security Information Sharing Act (subtitle I of title VIII of Public Law 107-296; 116 Stat. 2252; 6 U.S.C. 481 et seq.).

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committee on Armed Services of the House of Representatives.

SEC. 335. REPORT OF SECRETARY OF DEFENSE AND DIRECTOR OF CENTRAL INTELLIGENCE ON STRATEGIC PLANNING.

(a) REPORT.—Not later than February 15, 2004, the Secretary of Defense and the Director of Central Intelligence shall jointly submit to the appropriate committees of Congress a report that assesses progress in the following:

(1) The development by the Department of Defense and the intelligence community of a

comprehensive and uniform analytical capability to assess the utility and advisability of various sensor and platform architectures and capabilities for the collection of intelligence.

(2) The improvement of coordination between the Department and the intelligence community on strategic and budgetary planning.

(b) FORM.—The report under subsection (a) may be submitted in classified form.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 336. REPORT ON UNITED STATES DEPENDENCE ON COMPUTER HARDWARE AND SOFTWARE MANUFACTURED OVERSEAS.

(a) REPORT.—Not later than February 15, 2004, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the extent of United States dependence on computer hardware or software that is manufactured overseas.

(b) ELEMENTS.—The report under subsection (a) shall address the following:

(1) The extent to which the United States currently depends on computer hardware or software that is manufactured overseas.

(2) The extent to which United States dependence on such computer hardware or software is increasing.

(3) The vulnerabilities of the national security and economy of the United States as a result of United States dependence on such computer hardware or software.

(4) Any other matters relating to United States dependence on such computer hardware or software that the Director considers appropriate.

(c) CONSULTATION WITH PRIVATE SECTOR.—In preparing the report under subsection (a), the Director may consult, and is encouraged to consult, with appropriate persons and entities in the computer hardware or software industry and with other appropriate persons and entities in the private sector.

(d) FORM.—(1) The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(2) The report may be in the form of a National Intelligence Estimate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 337. REPORT ON LESSONS LEARNED FROM MILITARY OPERATIONS IN IRAQ.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the intelligence lessons learned as a result of Operation Iraqi Freedom.

(b) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations on means of improving training, equipment, operations, coordination, and collection of or for intelligence as the Director considers appropriate.

(c) FORM.—The report under subsection (a) shall be submitted in classified form.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 338. REPORTS ON CONVENTIONAL WEAPONS AND AMMUNITION OBTAINED BY IRAQ IN VIOLATION OF CERTAIN UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.

(a) PRELIMINARY REPORT.—Not later than 120 days after the date of the cessation of hostilities in Iraq (as determined by the President), the Director of the Defense Intelligence Agency shall submit to the appropriate committees of Congress a preliminary report on all information obtained by the Department of Defense and the intelligence community on the conventional weapons and ammunition obtained by Iraq in violation of applicable resolutions of the United Nations Security Council adopted since the invasion of Kuwait by Iraq in August 1990.

(b) FINAL REPORT.—(1) Not later than 270 days after the date of the cessation of hostilities in Iraq (as so determined), the Director shall submit to the appropriate committees of Congress a final report on the information described in subsection (a).

(2) The final report under paragraph (1) shall include such updates of the preliminary report under subsection (a) as the Director considers appropriate.

(c) ELEMENTS.—Each report under this section shall set forth, to the extent practicable, with respect to each shipment of weapons or ammunition addressed in such report the following:

(1) The country of origin.

(2) Any country of transshipment.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 339. REPEAL OF CERTAIN REPORT REQUIREMENTS RELATING TO INTELLIGENCE ACTIVITIES.

(a) ANNUAL EVALUATION OF PERFORMANCE AND RESPONSIVENESS OF INTELLIGENCE COMMUNITY.—Section 105 of the National Security Act of 1947 (50 U.S.C. 403-5) is amended by striking subsection (d).

(b) PERIODIC AND SPECIAL REPORTS ON DISCLOSURE OF INTELLIGENCE INFORMATION TO UNITED NATIONS.—Section 112 of the National Security Act of 1947 (50 U.S.C. 404g) is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

(c) ANNUAL REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH COUNTERDRUG ACTIVITIES.—Section 114 of the National Security Act of 1947 (50 U.S.C. 404i) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively.

(d) ANNUAL REPORT ON RUSSIAN NUCLEAR FACILITIES AND FORCES.—Section 114 of the National Security Act of 1947, as amended by subsection (c) of this section, is further amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (e) as subsections (a) through (d), respectively.

(e) ANNUAL REPORT ON COVERT LEASES.—Section 114 of the National Security Act of 1947, as amended by this section, is further amended—

(1) by striking subsection (c); and
 (2) by striking subsection (d).
(f) ANNUAL REPORT ON PROTECTION OF COVERT AGENTS.—Section 603 of the National Security Act of 1947 (50 U.S.C. 423) is repealed.
(g) ANNUAL REPORT ON CERTAIN FOREIGN COMPANIES INVOLVED IN PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.—Section 827 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2430; 50 U.S.C. 404n-3) is repealed.
(h) ANNUAL REPORT ON INTELLIGENCE ACTIVITIES OF PEOPLE'S REPUBLIC OF CHINA.—Section 308 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107; 111 Stat. 2253; 50 U.S.C. 402a note) is repealed.
(i) ANNUAL REPORT ON COORDINATION OF COUNTERINTELLIGENCE MATTERS WITH FBI.—Section 811(c) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103-359; 50 U.S.C. 402a(c)) is amended—
 (1) by striking paragraph (6); and
 (2) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.
(j) REPORTS ON DECISIONS NOT TO PROSECUTE VIOLATIONS OF CLASSIFIED INFORMATION PROCEDURES ACT.—Section 13 of the Classified Information Procedures Act (18 U.S.C. App.) is amended—
 (1) by striking subsections (a) and (b); and
 (2) by striking “(c)”.
(k) REPORT ON POSTEMPLOYMENT ASSISTANCE FOR TERMINATED INTELLIGENCE EMPLOYEES.—Section 1611 of title 10, United States Code, is amended by striking subsection (e).
(l) ANNUAL REPORT ON ACTIVITIES OF FBI PERSONNEL OUTSIDE THE UNITED STATES.—Section 540C of title 18, United States Code, is repealed.
(m) ANNUAL REPORT ON EXCEPTIONS TO CONSUMER DISCLOSURE REQUIREMENTS FOR NATIONAL SECURITY INVESTIGATIONS.—Section 604(b)(4) of the Fair Credit Reporting Act (15 U.S.C. 1681b(b)(4)) is amended—
 (1) by striking subparagraphs (D) and (E); and
 (2) by redesignating subparagraph (F) as subparagraph (D).
(n) CONFORMING AMENDMENTS.—Section 507 of the National Security Act of 1947 (50 U.S.C. 415b) is amended—
 (1) in subsection (a)—
 (A) in paragraph (1)—
 (i) by striking subparagraphs (A), (C), (D), (G), (I), (J), and (L); and
 (ii) by redesignating subparagraphs (B), (E), (F), (H), (K), (M), and (N) as subparagraphs (A), (B), (C), (D), (E), (F), and (G), respectively; and
 (iii) in subparagraph (E), as so redesignated, by striking “section 114(c)” and inserting “section 114(a)”; and
 (B) in paragraph (2)—
 (i) by striking subparagraphs (A), (E), and (F);
 (ii) by redesignating subparagraphs (B), (D), and (G) as subparagraphs (A), (B), and (C), respectively; and
 (iii) in subparagraph (A), as so redesignated, by striking “section 114(d)” and inserting “section 114(b)”; and
 (2) in subsection (b)—
 (A) by striking paragraph (1) and (3); and
 (B) by redesignating paragraphs (2), (4), (5), (6), (7), and (8) as paragraphs (1), (2), (3), (4), (5), and (6), respectively.
(o) CLERICAL AMENDMENTS.—
 (1) **NATIONAL SECURITY ACT OF 1947.**—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 603.
 (2) **TITLE 18, UNITED STATES CODE.**—The table of sections at the beginning of chapter 33 of title 18, United States Code, is amended by striking the item relating to section 540C.
(p) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 2003.

Subtitle E—Other Matters

SEC. 351. EXTENSION OF SUSPENSION OF REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

Section 311 of the Intelligence Authorization Act for Fiscal Year 2002 (Public Law 107-108; 22 U.S.C. 7301 note) is amended—

(1) in the heading, by striking “**TWO-YEAR**” before “**SUSPENSION OF REORGANIZATION**”; and

(2) in the text, by striking “ending on October 1, 2003” and inserting “ending on the date that is 60 days after the appropriate congressional committees of jurisdiction (as defined in section 324(d) of that Act (22 U.S.C. 7304(d)) are notified jointly by the Secretary of State (or the Secretary's designee) and the Director of the Office of Management and Budget (or the Director's designee) that the operational framework for the office has been terminated”.

SEC. 352. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE MATERIALS.

(a) **CLARIFICATION OF ALIENS AUTHORIZED TO DISTRIBUTE EXPLOSIVE MATERIALS.**—Section 842(d)(7) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or
 “(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation.”.

(b) **CLARIFICATION OF ALIENS AUTHORIZED TO POSSESS OR RECEIVE EXPLOSIVE MATERIALS.**—Section 842(i)(5) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or
 “(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation.”.

(c) **CLARIFICATION OF ALIENS AUTHORIZED TO POSSESS OR RECEIVE EXPLOSIVE MATERIALS.**—Section 842(i)(5) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or
 “(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation.”.

SEC. 353. MODIFICATION OF PROHIBITION ON THE NATURALIZATION OF CERTAIN PERSONS.

Section 313(e)(4) of the Immigration and Nationality Act (8 U.S.C. 1424(e)(4)) is amended—

(1) by inserting “when Department of Defense activities are relevant to the determination” after “Secretary of Defense”; and

(2) by inserting “and the Secretary of Homeland Security” after “Attorney General”.

SEC. 354. MODIFICATION TO DEFINITION OF FINANCIAL INSTITUTION IN THE RIGHT TO FINANCIAL PRIVACY ACT.

The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(1) (12 U.S.C. 3401(1)), by inserting “, except as provided in section 1114,” before “means any office”; and

(2) in section 1114 (12 U.S.C. 3414), by adding at the end the following:

“(c) For purposes of this section, the term ‘financial institution’ has the same meaning as in section 5312(a)(2) of title 31, United States Code, except that, for purposes of this section, such term shall include only such a financial institution any part of which is located inside any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the United States Virgin Islands.”.

SEC. 355. COORDINATION OF FEDERAL GOVERNMENT RESEARCH ON SECURITY EVALUATIONS.

(a) **WORKSHOPS FOR COORDINATION OF RESEARCH.**—The National Science Foundation and the Office of Science and Technology Policy shall jointly sponsor not less than two workshops on the coordination of Federal Government research on the use of behavioral, psychological, and physiological assessments of individuals in the conduct of security evaluations.

(b) **DEADLINE FOR COMPLETION OF ACTIVITIES.**—The activities of the workshops sponsored under subsection (a) shall be completed not later than March 1, 2004.

(c) **PURPOSES.**—The purposes of the workshops sponsored under subsection (a) are as follows:

(1) To provide a forum for cataloging and coordinating Federally-funded research activities relating to the development of new techniques in the behavioral, psychological, or physiological assessment of individuals to be used in security evaluations.

(2) To develop a research agenda for the Federal Government on behavioral, psychological, and physiological assessments of individuals, including an identification of the research most likely to advance the understanding of the use of such assessments of individuals in security evaluations.

(3) To distinguish between short-term and long-term areas of research on behavioral, psychological, and physiological assessments of individuals in order to maximize the utility of short-term and long-term research on such assessments.

(4) To identify the Federal agencies best suited to support research on behavioral, psychological, and physiological assessments of individuals.

(5) To develop recommendations for coordinating future Federally-funded research for the development, improvement, or enhancement of security evaluations.

(d) **ADVISORY GROUP.**—(1) In order to assist the National Science Foundation and the Office of Science and Technology Policy in carrying out the activities of the workshops sponsored under subsection (a), there is hereby established an interagency advisory group with respect to such workshops.

(2) The advisory group shall be composed of the following:

(A) A representative of the Social, Behavioral, and Economic Directorate of the National Science Foundation.

(B) A representative of the Office of Science, and Technology Policy.

(C) The Secretary of Defense, or a designee of the Secretary.

(D) The Secretary of State, or a designee of the Secretary.

(E) The Attorney General, or a designee of the Attorney General.

(F) The Secretary of Energy, or a designee of the Secretary.

(G) The Secretary of Homeland Security, or a designee of the Secretary.

(H) The Director of Central Intelligence, or a designee of the Director.

(I) The Director of the Federal Bureau of Investigation, or a designee of the Director.

(J) The National Counterintelligence Executive, or a designee of the National Counterintelligence Executive.

(K) Any other official assigned to the advisory group by the President for purposes of this section.

(3) The members of the advisory group under subparagraphs (A) and (B) of paragraph (2) shall jointly head the advisory group.

(4) The advisory group shall provide the Foundation and the Office such information, advice, and assistance with respect to the workshops sponsored under subsection (a) as the advisory group considers appropriate.

(5) The advisory group shall not be treated as an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(e) **REPORT.**—Not later than March 1, 2004, the National Science Foundation and the Office of Science and Technology Policy shall jointly submit Congress a report on the results of activities of the workshops sponsored under subsection (a), including the findings and recommendations of the Foundation and the Office as a result of such activities.

(f) **FUNDING.**—(1) Of the amount authorized to be appropriated for the Intelligence Community Management Account by section 104(a), \$500,000 shall be available to the National Science Foundation and the Office of Science and Technology Policy to carry out this section.

(2) The amount authorized to be appropriated by paragraph (1) shall remain available until expended.

SEC. 356. TECHNICAL AMENDMENTS.

(a) **NATIONAL SECURITY ACT OF 1947.**—Subsection (c)(1) of section 112 of the National Security Act of 1947, as redesignated by section 339(b) of this Act, is further amended by striking “section 103(c)(6)” and inserting “section 103(c)(7)”.

(b) **CENTRAL INTELLIGENCE AGENCY ACT OF 1949.**—(1) Section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g) is amended by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))”.

(2) Section 15 of that Act (50 U.S.C. 403o) is amended—

(A) in subsection (a)(1), by striking “special policemen of the General Services Administration perform under the first section of the Act entitled ‘An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes’ (40 U.S.C. 318),” and inserting “officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,”; and

(B) in subsection (b), by striking “the fourth section of the Act referred to in subsection (a) of this section (40 U.S.C. 318c)” and inserting “section 1315(c)(2) of title 40, United States Code”.

(c) **NATIONAL SECURITY AGENCY ACT OF 1959.**—Section 11 of the National Security

Agency Act of 1959 (50 U.S.C. 402 note) is amended—

(1) in subsection (a)(1), by striking “special policemen of the General Services Administration perform under the first section of the Act entitled ‘An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes’ (40 U.S.C. 318)” and inserting “officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,”; and

(2) in subsection (b), by striking “the fourth section of the Act referred to in subsection (a) (40 U.S.C. 318c)” and inserting “section 1315(c)(2) of title 40, United States Code”.

(d) **INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003.**—Section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2399; 50 U.S.C. 404n-2) is amended—

(1) in subsection (c), by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))”; and

(2) in subsection (e)(2), by striking “section 103(c)(6)” and inserting “section 103(c)(7)”.

(e) **PUBLIC LAW 107-173.**—Section 201(c)(3)(F) of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107-173; 116 Stat. 548; 8 U.S.C. 1721(c)(3)(F)) is amended by striking “section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))” and inserting “section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))”.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. AMENDMENT TO CERTAIN CENTRAL INTELLIGENCE AGENCY ACT OF 1949 NOTIFICATION REQUIREMENTS.

Section 4(b)(5) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b)(5)) is amended inserting “, other than regulations under paragraph (1),” after “Regulations”.

SEC. 402. PROTECTION OF CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL FROM TORT LIABILITY.

Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended by adding at the end the following new subsection:

“(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a), or designated by the Director under section 5(a)(4) to carry firearms for the protection of current or former Agency personnel and their immediate families, defectors and their immediate families, and other persons in the United States under Agency auspices, shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such Agency personnel take reasonable action, which may include the use of force, to—

“(A) protect an individual in the presence of such Agency personnel from a crime of violence;

“(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

“(C) prevent the escape of any individual whom such Agency personnel reasonably believe to have committed a crime of violence in the presence of such Agency personnel.

“(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679(d)(1) of title 28, United States Code.

“(3) In this subsection, the term ‘crime of violence’ has the meaning given that term in section 16 of title 18, United States Code.”.

SEC. 403. REPEAL OF OBSOLETE LIMITATION ON USE OF FUNDS IN CENTRAL SERVICES WORKING CAPITAL FUND.

Section 21(f)(2) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

(1) in subparagraph (A), by striking “(A) Subject to subparagraph (B), the Director” and inserting “The Director”; and

(2) by striking subparagraph (B).

SEC. 404. TECHNICAL AMENDMENT TO FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002.

Section 3535(b)(1) of title 44, United States Code, as added by section 1001(b)(1) of the Homeland Security Act of 2002 (Public Law 107-296), and section 3545(b)(1) of title 44, United States Code, as added by section 301(b)(1) of the E-Government Act of 2002 (Public Law 107-347), are each amended by inserting “or any other law” after “1978”.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

[SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.]

[(a) **CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES.**—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by transferring sections 105C and 105D to the end of title VII and redesignating such sections, as so transferred, as sections 703 and 704, respectively.

[(b) **PROTECTION OF OPERATIONAL FILES OF NSA.**—Title VII of such Act, as amended by subsection (a), is further amended by adding at the end the following new section:

[(“OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

[(“SEC. 705. (A) **EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.**—(1) The Director of the National Security Agency, with the coordination of the Director of Central Intelligence, may exempt operational files of the National Security Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

[(“(2)(A) Subject to subparagraph (B), in this section, the term ‘operational files’ means files of the National Security Agency (hereafter in this section referred to as ‘NSA’) which document the means by which foreign intelligence or counterintelligence is collected through technical systems.

[(“(B) Files which are the sole repository of disseminated intelligence are not operational files.

[(“(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

[(“(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

[(“(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

[(“(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

[(“(i) The Permanent Select Committee on Intelligence of the House of Representatives.

[(“(ii) The Select Committee on Intelligence of the Senate.

[(“(iii) The Intelligence Oversight Board.

[(“(iv) The Department of Justice.

[(“(v) The Office of General Counsel of NSA.

["(vi) The Office of the Director of NSA.

["(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

["(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

["(C) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

["(D) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1), and which have been returned to exempted operational files for sole retention shall be subject to search and review.

["(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, and which specifically cites and repeals or modifies such provisions.

["(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that NSA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

["(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

["(i) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NSA, such information shall be examined ex parte, in camera by the court.

["(ii) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

["(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

["(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NSA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

["(II) The court may not order NSA to review the content of any exempted operational file or files in order to make the demonstration required under subclause (I), unless the complainant disputes NSA's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

["(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

["(vi) If the court finds under this paragraph that NSA has improperly withheld re-

quested records because of failure to comply with any provision of this subsection, the court shall order NSA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

["(vii) If at any time following the filing of a complaint pursuant to this paragraph NSA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

["(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence before submission to the court.

["(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from a category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

["(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of a particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

["(3) A complainant that alleges that NSA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

["(A) Whether NSA has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 or before the expiration of the 10-year period beginning on the date of the most recent review.

["(B) Whether NSA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review."

["(c) CONFORMING AMENDMENTS.—(1) Section 701(b) of the National Security Act of 1947 (50 U.S.C. 431(b)) is amended by striking "For purposes of this title" and inserting "In this section and section 702,".

["(2) Section 702(c) of such Act (50 U.S.C. 432(c)) is amended by striking "enactment of this title" and inserting "October 15, 1984,".

["(3)(A) The title heading for title VII of such Act is amended to read as follows:

["TITLE VII—PROTECTION OF OPERATIONAL FILES"

["(B) The section heading for section 701 of such Act is amended to read as follows:

["PROTECTION OF OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY"

["(C) The section heading for section 702 of such Act is amended to read as follows:

["DECENNIAL REVIEW OF EXEMPTED CENTRAL INTELLIGENCE AGENCY OPERATIONAL FILES."

["(d) CLERICAL AMENDMENTS.—The table of contents for the National Security Act of 1947 is amended—

["(1) by striking the items relating to sections 105C and 105D; and

["(2) by striking the items relating to title VII and inserting the following new items:

["TITLE VII—PROTECTION OF OPERATIONAL FILES

["Sec. 701. Protection of operational files of the Central Intelligence Agency.

["Sec. 702. Decennial review of exempted Central Intelligence Agency operational files.

["Sec. 703. Protection of operational files of the National Imagery and Mapping Agency.

["Sec. 704. Protection of operational files of the National Reconnaissance Office.

["Sec. 705. Protection of operational files of the National Security Agency."]

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by transferring sections 105C and 105D to the end of title VII and redesignating such sections, as so transferred, as sections 703 and 704, respectively.

(b) PROTECTION OF OPERATIONAL FILES OF NSA.—Title VII of such Act, as amended by subsection (a), is further amended by adding at the end the following new section:

"OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

"SEC. 705. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—(1) Operational files of the National Security Agency (hereafter in this section referred to as 'NSA') may be exempted by the Director of NSA, in coordination with the Director of Central Intelligence, from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

"(2)(A) In this section, the term 'operational files' means—

"(i) files of the Signals Intelligence Directorate, and its successor organizations, which document the means by which foreign intelligence or counterintelligence is collected through technical systems; and

"(ii) files of the Research Associate Directorate, and its successor organizations, which document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

"(B) Files which are the sole repository of disseminated intelligence, and files that have been accessioned into NSA Archives, or its successor organizations, are not operational files.

"(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

"(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

"(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

"(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

"(i) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

"(ii) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(iii) The Intelligence Oversight Board.

"(iv) The Department of Justice.

"(v) The Office of General Counsel of NSA.

"(vi) The Office of the Inspector General of the Department of Defense.

"(vii) The Office of the Director of NSA.

"(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

"(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

"(C) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

"(D) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1), and which have been returned to exempted operational files for sole retention shall be subject to search and review.

"(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, and which specifically cites and repeals or modifies such provisions.

"(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that NSA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

"(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

"(i) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NSA, such information shall be examined ex parte, in camera by the court.

"(ii) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

"(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

"(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NSA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

"(II) The court may not order NSA to review the content of any exempted operational file or files in order to make the demonstration required under subclause (I), unless the complainant disputes NSA's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

"(vi) If the court finds under this paragraph that NSA has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order NSA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States

Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

"(vii) If at any time following the filing of a complaint pursuant to this paragraph NSA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

"(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence before submission to the court.

"(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from a category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

"(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of a particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

"(3) A complainant that alleges that NSA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

"(A) Whether NSA has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004 or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether NSA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review."

(c) CONFORMING AMENDMENTS.—(1) Section 701(b) of the National Security Act of 1947 (50 U.S.C. 431(b)) is amended by striking "For purposes of this title" and inserting "In this section and section 702."

(2) Section 702(c) of such Act (50 U.S.C. 432(c)) is amended by striking "enactment of this title" and inserting "October 15, 1984."

(3)(A) The title heading for title VII of such Act is amended to read as follows:

"TITLE VII—PROTECTION OF OPERATIONAL FILES".

(B) The section heading for section 701 of such Act is amended to read as follows:

"PROTECTION OF OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY".

(C) The section heading for section 702 of such Act is amended to read as follows:

"DECENNIAL REVIEW OF EXEMPTED CENTRAL INTELLIGENCE AGENCY OPERATIONAL FILES".

(d) CLERICAL AMENDMENTS.—The table of contents for the National Security Act of 1947 is amended—

(1) by striking the items relating to sections 105C and 105D; and

(2) by striking the items relating to title VII and inserting the following new items:

"TITLE VII—PROTECTION OF OPERATIONAL FILES

"Sec. 701. Protection of operational files of the Central Intelligence Agency.

"Sec. 702. Decennial review of exempted Central Intelligence Agency operational files.

"Sec. 703. Protection of operational files of the National Imagery and Mapping Agency.

"Sec. 704. Protection of operational files of the National Reconnaissance Office.

"Sec. 705. Protection of operational files of the National Security Agency."

[SEC. 502. PROVISION OF AFFORDABLE LIVING QUARTERS FOR CERTAIN STUDENTS WORKING AT NATIONAL SECURITY AGENCY LABORATORY.]

[Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

["(d)(1) The Director of the National Security Agency may provide affordable living quarters to a student in the Student Educational Employment Program or similar program (as prescribed by the Office of Personnel Management) while the student is employed at the laboratory of the Agency.

["(2) Notwithstanding section 5911(c) of title 5, living quarters may be provided under paragraph (1) without charge, or at rates or charges specified in regulations prescribed by the Director.".]

SEC. [503] 502. PROTECTION OF CERTAIN NATIONAL SECURITY AGENCY PERSONNEL FROM TORT LIABILITY.

Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding any other provision of law, agency personnel designated by the Director of the National Security Agency under subsection (a) shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such agency personnel take reasonable action, which may include the use of force, to—

"(A) protect an individual in the presence of such agency personnel from a crime of violence;

"(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

"(C) prevent the escape of any individual whom such agency personnel reasonably believe to have committed a crime of violence in the presence of such agency personnel.

"(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679(d)(1) of title 28, United States Code.

"(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code."

[SEC. 504. AUTHORITY FOR INTELLIGENCE COMMUNITY ELEMENTS OF DEPARTMENT OF DEFENSE TO AWARD PERSONAL SERVICE CONTRACTS.]

[(a) AUTHORITY.—Notwithstanding any other provision of law, amounts appropriated or otherwise made available to a covered component of the Department of Defense may be expended for personal service contracts necessary to carry out the mission of the covered component, including personal services without regard to limitations on types of persons to be employed.

[(b) COVERED COMPONENT OF THE DEPARTMENT OF DEFENSE DEFINED.—In this section, the term "covered component of the Department of Defense" means any element of the Department of Defense that is a component of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1934 (50 U.S.C. 401a(4)).]

Mr. ROBERTS. Mr. President, I am pleased to appear before my colleagues to support early Senate passage of the fiscal year 2004 intelligence authorization bill. This is a good bill, crafted within the unique bipartisan process used for over a quarter century by the Senate Intelligence Committee.

No bipartisan effort can be effective without good personal cooperation. I

have received such cooperation from my friend and colleague, the distinguished Vice Chairman, Senator ROCKEFELLER. It is a privilege to be working with him on these important national security issues.

This bill will serve our Nation's security interests during a time of troubling international conflict. I would like to review a few of the bill's significant provisions and some of the difficult budget choices which the Intelligence Committee made.

The version of our bill which Senators are considering reflects changes which the Armed Services Committee made to the bill on sequential referral. The Intelligence Committee and Armed Services Committee reconciled differences in the bills amicably and professionally, with the equities of both committees in mind.

The unclassified fiscal year 2004 intelligence bill contains reasonable new management and national security authorities for the intelligence community.

For example, section 311 will give the intelligence community additional flexibility to act quickly to meet higher priority needs by eliminating the "unforeseen requirements" criterion for reprogrammings.

Section 312 of the bill accounts for increased construction costs by raising (but not eliminating) the thresholds for notification to Congress on certain intelligence community construction and renovation projects and by shortening or removing the waiting period for beginning urgent or emergency projects.

Section 315 would set up a program to cultivate and encourage college students to become intelligence analysts. Good analysts do not grow on trees. As the intelligence community fights the war on terrorism, good language and area specialists are more important than ever.

The bill also creates a series of "one-time" reporting requirements in critical areas. Many of these reports will form the basis for committee efforts to address the concerns outlined in the report of the joint inquiry into the attacks of September 11. For example, we require reports on the following topics: The threat that "cleared insiders" like Robert Hanssen pose to classified computer networks; the adequacy and future direction of U.S. Government security investigations and clearance procedures; the creation of a "community of intelligence experts" by transferring civilian intelligence personnel among all elements of the intelligence community; the modifications to law and policy necessary to facilitate intelligence sharing; the strategic planning by the Director of Central Intelligence and Secretary of Defense with respect to the intelligence community; and the growing dependence by the United States on computer hardware and software manufactured overseas.

Two of the reporting requirements deal with Iraq.

Section 337 requires a report to the Congress on Intelligence lessons

learned in Iraq—similar to a provision in the current House intelligence bill. Section 338 of the bill requires a report on the conventional arms and ammunition acquired by Saddam Hussein in violation of U.N. sanctions. Given the subject matter, these reports will also be made available to the Senate Foreign Relations and House International Relations Committees.

Section 339 reduces burdens on the intelligence community and reconciles oversight priorities by repealing a number of recurring reporting requirements relating to intelligence activities. Reviewing reporting requirements and clearing out the cobwebs is a healthy exercise for any committee.

In title IV of the bill, there are notable "CIA-specific" provisions.

Section 401 removes the "prior notification" requirement for a limited category of CIA "quality of life" benefits that have already been authorized by law for members of the Foreign Service. It does not disturb advance notification requirements for agency-unique benefits adopted under the CIA Act.

Section 402 affords tort immunity benefits to CIA security protective officers (SPOs) and protective detail personnel designated by the DCI to protect certain agency employees, defectors, their immediate families, and other persons in the U.S. under CIA auspices. The provision would afford to SPOs and protective details the same protection against liability for assault, battery, false arrest, negligence, and other common law torts that certain law enforcement and Diplomatic Security Service officers enjoy already.

Section 404 of our bill is a technical amendment to the recently passed Federal Information Security Management Act (FISMA) of 2002. The FISMA amendment permits inspector generals authorized by laws other than the Inspector General Act, such as the CIA inspector general, to perform security evaluations on information systems at their respective agencies.

Title V of the bill contains provisions related to intelligence community elements residing in DOD.

Section 501 of the bill would exempt certain National Security Agency operational files from disclosure under the Freedom of Information Act and is identical to the provision recently approved by the Senate in the Defense Authorization bill.

Section 503 allows designated NSA security officers to carry firearms while on official duty to protect NSA employees and property in the U.S. This provision would provide virtually identical protections to those in Section 402 for CIA security protective officers.

Turning to the budget, when we began to review the President's fiscal year 2004 request, I became very concerned at the recent growth in intelligence funding.

There is clearly not enough money in future years to fully fund the intelligence programs in this year's budget

request. That is the sad reality of this budget. The intelligence community is stretched thin, with far more requirements than available funds. Too many projects and activities have been started that cannot be accommodated in the top line. It does not matter what caused this problem. The problem exists.

A significant issue that must be addressed by the executive branch is the manner in which cost estimates for the procurement of major intelligence community systems are conducted. The magnitude and consistency in the cost growth on recent acquisitions indicates a systemic intelligence community bias to underestimate the cost of major systems.

This "perceived affordability" creates difficulties in the out years as the National Foreign Intelligence Program becomes burdened with content that is more costly than the budgeted funding. This underestimation of future costs has resulted in significant reshuffling of the NFIP to meet emerging shortfalls.

Unless there is a dramatic and sustained increase in the intelligence budget, we face some hard choices. My colleagues and I decided that there is no time like the present to make them. In the reported bill, we have made an effort to address some of the shortfalls that came to light as a result of the joint inquiry into the September 11 attacks. In this bill, the committee tries to emphasize programs which begin to correct those deficiencies.

We also sought to support the war on terrorism by supporting related intelligence community programs. We try, in this measure, to accelerate advanced technology programs to provide better intelligence in the future. In the managers' amendment, we would statutorily mandate a fundamentally more sound approach to cost estimates for major systems.

In short, the committee made some tough choices. It is our hope that some of the additional programs we were forced to cut can be funded through alternative means.

In closing, we have vetted and prepared a managers' amendment that reflects a number of additional items which Senator ROCKEFELLER and I recommend for Senate passage in this bill. We have included some highly technical corrections to the bill and have worked to address concerns expressed by some Members regarding the committee's attempt to relieve the intelligence community from burdensome and dated reporting requirements.

We have also added several substantive provisions, based on supporting materials supplied by the administration and further investigation by the committee staff. Our amendments would: create a one-time report to examine the analytic arm of the Department of Homeland Security and the interaction between the Department and the Terrorist Threat Integration Center (TTIC); require the preparation and submission of independent

cost estimates to accompany budget requests for major systems acquisitions over \$500,000,000, and require the preparation of budgets consistent with these estimates; help prevent money laundering by ensuring ex parte and in camera review by the presiding judge of classified information used to identify jurisdictions, institutions, transactions, and accounts that are of primary money laundering concern; and permit Central Intelligence Agency employees in the compensation reform pilot program to contribute bonus pay to their Thrift Savings Plan—an added incentive for exceptional performers.

The committee staff and I will provide any member additional information concerning any of the provisions or programs in the intelligence bill. Again, I urge my colleagues to support the bill.

Mr. ROCKEFELLER. Mr. President, I am pleased to join the distinguished chairman of the Select Committee on Intelligence in presenting S. 1025, the proposed Intelligence Authorization Act for fiscal year 2004, which will begin on October 1, 2003. I would like to join the chairman in noting the bipartisan manner in which the committee approaches its legislative work, and congratulate him for his leadership in maintaining that tradition.

The bill has two main functions.

First, the bill authorizes the appropriation of funds for the intelligence and intelligence-related activities of the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the FBI, and other intelligence elements of the U.S. Government. For the first time, the intelligence component of the Department of Homeland Security is included in the annual intelligence authorization. The actual appropriation of funds, of course, must be made in separate appropriation legislation that will follow, within the parameters set by this authorization legislation.

Second, the bill establishes or amends legal authority for the intelligence community or directs the preparation of reports by the Director of Central Intelligence or heads of components of the intelligence community.

The classified nature of United States intelligence activities prevents us from disclosing publicly the details of our budgetary recommendations. Accordingly, nearly all our budgetary recommendations are in a classified annex. The annex is available to all Members of the Senate, either at the Intelligence Committee or S-407 in the Capitol.

Ten years ago this November, I joined a majority of Senate colleagues in voting to express the sense of Congress that the aggregate amount requested, authorized, and spent for intelligence and intelligence-related activities should be disclosed to the public in an appropriate manner. The House opposed the provision.

I continue to believe we should find a means, consistent with national secu-

rity, of sharing with the American taxpayer information about the total amount, although not the details, of our intelligence spending. One reason is illustrated by this year's intelligence authorization report in the House. The House committee found that the U.S. intelligence community has been recovering from cutbacks in budgets, personnel, and capabilities that followed the cold war. But how can the American people know, in a timely way, not years later, when there are cutbacks? How can they make their opinions known unless the President and Congress give them basic information on the overall size of the intelligence budget? Further, in holding the intelligence community accountable for performance, citizens should know the Nation's overall investment in intelligence.

We are on the threshold of important decisions about the future of the U.S. intelligence community. Last week's 911 report of the congressional intelligence committees has shed additional light on major problems of U.S. intelligence before the terrorist attacks of September 11. As it works toward its final report next year, the independent National Commission on Terrorist Attacks Upon the United States, building on the foundation laid by the joint inquiry, will be adding information and insights. And the Senate and House Intelligence Committees each are in the midst of extensive examinations of U.S. intelligence on Iraq.

It is fair to say, I believe, that rarely before have we had as much information about the performance of U.S. intelligence. With that knowledge comes a responsibility, for the intelligence committees, Congress as a whole, the intelligence community, and the President, to complete the improvements that the facts show are required. But we do not have the luxury to wait for further reports to begin reforms. Al-Qaida and other terrorist organizations cannot be expected to take a holiday while additional studies are done, and so we must take critical initial steps now.

The need for improving information sharing and the need for enhancing intelligence community analyses were high among the recommendations of the joint 911 inquiry.

Last November, the Congress took a key step in improving information sharing in establishing, in the Department of Homeland Security, a Directorate for Information Analysis and Infrastructure Protection. Last month, on the favorable recommendation of our committee, the Senate confirmed retired Marine Corps General Frank Libutti to be Under Secretary in charge of that Directorate. As set forth in the Homeland Security Act, he is to have access to law enforcement, intelligence information, and other information from Federal, State, and local agencies, and is to integrate that information to identify terrorist threats to the U.S. homeland. The President took

a further and somewhat different step in integrating threat information, in ordering this past January the establishment of a Terrorist Threat Integration Center under the Director of Central Intelligence.

The successful integration of terrorism threat information—including ensuring that terrorism threat matters do not fall between a crack between the Homeland Security Directorate established by Congress and the Center established by the President, is a great organizational challenge facing the intelligence community this year. Our managers' amendment calls for a comprehensive report on the operations of the Homeland Security Directorate and the Terrorist Threat Integration Center. The Congress should use that information as a basis for vigorous oversight and further legislation if needed.

Our need to integrate information is not limited to terrorism threats. It extends across the spectrum of U.S. intelligence. To that end, section 314 directs the Director of Central Intelligence to carry out a pilot program on the advisability of permitting intelligence analysis of various elements of the intelligence community to access and analyze intelligence from the databases of other elements of the intelligence community. Our bill requires that the program include National Security Agency signals intelligence, but also authorizes the Director of Central Intelligence to extend it to other intelligence units. The program is to enhance the intelligence community's capacity for "all source fusion" analysis in support of its functions. The Director of Central Intelligence and the Secretary of Defense are to assess the pilot program and report to Congress.

Another provision, section 334, will start a process for Presidential review, and then congressional consideration, of policies and regulations that may impede sharing, for national and homeland security purposes, of classified information among Federal agencies, and between them and State and local governments or the private sector.

To increase the number of trained intelligence analysis, section 315 directs the Director of Central Intelligence to carry out and report to Congress on a pilot program on the feasibility and advisability of preparing selected students, through a program similar to the Department of Defense's Reserve Officers' Training Corps, for employment as intelligence analysts.

Greater integration in the intelligence community is an imperative that goes beyond information sharing and analysis. Another long-term objective of the bill, set forth in section 335, is to improve coordination between the Department of Defense and the intelligence community concerning strategic and budgetary planning. With the growing importance of intelligence to military operations, the Department of Defense should recognize the contribution the Director of Central Intelligence can make in the development of national military strategy.

Three sections of our bill address important information security and counterintelligence issues.

Section 331 addresses the danger posed by disloyal cleared insiders who have access to vulnerable computers and computer systems, as exemplified in the Brian Regan and Robert Hanssen espionage cases. The bill directs the submission of a report by the Director of Central Intelligence and the Secretary of Defense which describes in detail what steps are being taken to eliminate these threats, including any budget requirements to address shortfalls.

Section 332 calls for a report on security clearance procedures in the Federal Government. Our report notes that most publicly known instances of foreign espionage in the United States have involved persons who legitimately obtained clearances before deciding to betray our country. The committee has identified as a subject for assessment, the relative risks of disloyalty before clearance and after clearance. We need to learn from the experience of past betrayals. Accordingly, the committee is asking that a joint report of the Director of Central Intelligence and Secretary of Defense recommend how background investigations might in the future be better targeted to historically verifiable counterintelligence vulnerabilities.

Section 336 addressed a further security vulnerability, namely, the extent of the dependence of the United States on computer hardware or software manufactured overseas. Our report notes that most leading suppliers of hardware and software to the United States are countries that the FBI indicates are engaged in economic espionage against us. Section 336 would direct the Director of Central Intelligence to submit a report to assist Congress in developing policies that address this new vulnerability.

Finally, I would like to make an observation about our committee's future work on intelligence legislation. There are important issues identified by the joint 9/11 inquiry, including fundamental ones about the leadership of the intelligence community, that must be on our agenda for future action.

The joint inquiry recommended that Congress establish a Director of National Intelligence who, in addition to being the President's principal adviser on intelligence, shall have the management, budgetary, and personnel powers needed to make the entire U.S. intelligence community operate as a coherent whole. The joint inquiry recommended that in order to ensure this leadership, Congress should require that no person may simultaneously serve as both the Director of National Intelligence and as CIA Director or as the director of any other specific intelligence agency. Earlier this year, a member of our committee, Senator FEINSTEIN, introduced legislation on that subject. And Senator GRAHAM has now introduced legislation, which I am

privileged to cosponsor, that includes Senator FEINSTEIN's bill as part of a comprehensive measure to implement the recommendations of the joint inquiry.

Our Committee's present bill is a good downpayment on the reforms that we should be considering in the time ahead. I urge both the passage of the intelligence authorization bill as well as renewal of our commitment to work together on the continuing task of improving our intelligence community.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Armed Services Committee amendments be agreed to and considered as original text for the purpose of further amendment; that the managers' amendment be agreed to; that the bill, as amended, be read a third time; that the Senate then proceed to Calendar No. 184, H.R. 2417, the House companion, that all after the enacting clause be stricken and the text of S. 1025, as amended, be inserted; that the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table; and that any statements relating to the bill be printed in the RECORD.

In addition, I ask unanimous consent that the Senate insist upon its amendments and request a conference with the House.

I ask unanimous consent that the Chair be authorized to appoint conferees from the Intelligence Committee; further, that the Chair appoint conferees from the Armed Services Committee in the ratio of 1 to 1 for matters that fall within their jurisdiction.

Further, I ask consent that S. 1025 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

The amendment (No. 1538) was agreed to.

(The amendment is printed in today's RECORD under "Text of Amendments.")

The bill (S. 1025), as amended, was read the third time.

The bill (H.R. 2417), as amended, was read the third time and passed, as follows:

H.R. 2417

Resolved, That the bill from the House of Representatives (H.R. 2417) entitled "An Act to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE*.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2004".

(b) *TABLE OF CONTENTS*.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Intelligence Community Management Account.

Sec. 105. Incorporation of reporting requirements.

Sec. 106. Preparation and submittal of reports, reviews, studies, and plans relating to intelligence activities of Department of Defense or Department of Energy.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law.

Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

Sec. 311. Modification of authority to obligate and expend certain funds for intelligence activities.

Sec. 312. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.

Sec. 313. Pilot program on analysis of signals and other intelligence by intelligence analysts of various elements of the intelligence community.

Sec. 314. Pilot program on training for intelligence analysts.

Sec. 315. Extension of National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.

Sec. 316. Budget treatment of costs of acquisition of major systems by the intelligence community.

Subtitle C—Surveillance

Sec. 321. Clarification and modification of sunset of surveillance-related amendments made by USA PATRIOT ACT of 2001.

Subtitle D—Reports

Sec. 331. Report on cleared insider threat to classified computer networks.

Sec. 332. Report on security background investigations and security clearance procedures of the Federal Government.

Sec. 333. Report on detail of civilian intelligence personnel among elements of the intelligence community and the Department of Defense.

Sec. 334. Report on modifications of policy and law on classified information to facilitate sharing of information for national security purposes.

Sec. 335. Report of Secretary of Defense and Director of Central Intelligence on strategic planning.

Sec. 336. Report on United States dependence on computer hardware and software manufactured overseas.

Sec. 337. Report on lessons learned from military operations in Iraq.

Sec. 338. Reports on conventional weapons and ammunition obtained by Iraq in violation of certain United Nations Security Council resolutions.

Sec. 339. Repeal of certain report requirements relating to intelligence activities.

Sec. 340. Report on operations of Directorate of Information Analysis and Infrastructure Protection and Terrorist Threat Integration Center.

Subtitle E—Other Matters

Sec. 351. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.

- Sec. 352. Modifications of authorities on explosive materials.
- Sec. 353. Modification of prohibition on the naturalization of certain persons.
- Sec. 354. Modification to definition of financial institution in the Right to Financial Privacy Act.
- Sec. 355. Coordination of Federal Government research on security evaluations.
- Sec. 356. Technical amendments.
- Sec. 357. Treatment of classified information in money laundering cases.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

- Sec. 401. Amendment to certain Central Intelligence Agency Act of 1949 notification requirements.
- Sec. 402. Protection of certain Central Intelligence Agency personnel from tort liability.
- Sec. 403. Repeal of obsolete limitation on use of funds in Central Services Working Capital Fund.
- Sec. 404. Technical amendment to Federal Information Security Management Act of 2002.
- Sec. 405. Contribution by Central Intelligence Agency employees of certain bonus pay to Thrift Savings Plan accounts.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

- Sec. 501. Protection of operational files of the National Security Agency.
- Sec. 502. Protection of certain National Security Agency personnel from tort liability.
- Sec. 503. Use of funds for counterdrug and counterterrorism activities for Colombia.
- Sec. 504. Scene visualization technologies.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The National Reconnaissance Office.
- (11) The National Imagery and Mapping Agency.
- (12) The Coast Guard.
- (13) The Department of Homeland Security.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2004, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill ____ of the One Hundred Eighth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Man-

agement and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2004 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2004 the sum of \$198,390,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for advanced research and development shall remain available until September 30, 2005.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 310 full-time personnel as of September 30, 2004. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2004 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts for research and development shall remain available until September 30, 2005.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2004, there are also authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2004 any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), \$37,090,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2005, and funds provided for procurement purposes shall remain available until September 30, 2006.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The

Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. INCORPORATION OF REPORTING REQUIREMENTS.

(a) IN GENERAL.—Each requirement to submit a report to the congressional intelligence committees that is included in the joint explanatory statement to accompany the conference report on the bill ____ of the One Hundred Eighth Congress, or in the classified annex to this Act, is hereby incorporated into this Act, and is hereby made a requirement in law.

(b) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term “congressional intelligence committees” means—

- (1) the Select Committee on Intelligence of the Senate; and
- (2) the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 106. PREPARATION AND SUBMITTAL OF REPORTS, REVIEWS, STUDIES, AND PLANS RELATING TO INTELLIGENCE ACTIVITIES OF DEPARTMENT OF DEFENSE OR DEPARTMENT OF ENERGY.

(a) CONSULTATION IN PREPARATION.—(1) The Director of Central Intelligence shall ensure that any report, review, study, or plan required to be prepared or conducted by a provision of this Act, including a provision of the classified Schedule of Authorizations referred to in section 102(a) or the classified annex to this Act, that involves the intelligence or intelligence-related activities of the Department of Defense or the Department of Energy is prepared or conducted in consultation with the Secretary of Defense or the Secretary of Energy, as appropriate.

(2) The Secretary of Defense or the Secretary of Energy may carry out any consultation required by this subsection through an official of the Department of Defense or the Department of Energy, as the case may be, designated by such Secretary for that purpose.

(b) SUBMITTAL.—Any report, review, study, or plan referred to in subsection (a) shall be submitted, in addition to any other committee of Congress specified for submittal in the provision concerned, to the following committees of Congress:

(1) The Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate.

(2) The Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2004 the sum of \$226,400,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority

for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

Subtitle B—Intelligence

SEC. 311. MODIFICATION OF AUTHORITY TO OBLIGATE AND EXPEND CERTAIN FUNDS FOR INTELLIGENCE ACTIVITIES.

Section 504(a)(3) of the National Security Act of 1947 (50 U.S.C. 414(a)(3)) is amended—

(1) by inserting “and” at the end of subparagraph (A);

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

SEC. 312. MODIFICATION OF NOTICE AND WAIT REQUIREMENTS ON PROJECTS TO CONSTRUCT OR IMPROVE INTELLIGENCE COMMUNITY FACILITIES.

(a) INCREASE OF THRESHOLDS FOR NOTICE.—Subsection (a) of section 602 of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103-359; 108 Stat. 3432; 50 U.S.C. 403-2b(a)) is amended—

(1) by striking “\$750,000” each place it appears and inserting “\$5,000,000”; and

(2) by striking “\$500,000” each place it appears and inserting “\$1,000,000”.

(b) NOTICE AND WAIT REQUIREMENTS FOR EMERGENCY PROJECTS.—Subsection (b)(2) of that section is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting “(A)” after “(2) REPORT.—”;

(3) by striking “21-day period” and inserting “7-day period”; and

(4) by adding at the end the following new subparagraph:

“(B) Notwithstanding subparagraph (A), a project referred to in paragraph (1) may begin on the date the notification is received by the appropriate committees of Congress under that paragraph if the Director of Central Intelligence and the Secretary of Defense jointly determine that—

“(i) an emergency exists with respect to the national security or the protection of health, safety, or environmental quality; and

“(ii) any delay in the commencement of the project would harm any or all of those interests.”.

SEC. 313. PILOT PROGRAM ON ANALYSIS OF SIGNALS AND OTHER INTELLIGENCE BY INTELLIGENCE ANALYSTS OF VARIOUS ELEMENTS OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—The Director of Central Intelligence shall, in coordination with the Secretary of Defense, carry out a pilot program to assess the feasibility and advisability of permitting intelligence analysts of various elements of the intelligence community to access and analyze intelligence from the databases of other elements of the intelligence community in order to achieve the objectives set forth in subsection (c).

(b) COVERED INTELLIGENCE.—The intelligence to be analyzed under the pilot program under subsection (a) shall include the following:

(1) Signals intelligence of the National Security Agency.

(2) Such intelligence of other elements of the intelligence community as the Director shall select for purposes of the pilot program.

(c) OBJECTIVES.—The objectives set forth in this subsection are as follows:

(1) To enhance the capacity of the intelligence community to undertake so-called “all source fusion” analysis in support of the intelligence and intelligence-related missions of the intelligence community.

(2) To reduce, to the extent practicable, the amount of intelligence collected by the intelligence community that is not assessed, or reviewed, by intelligence analysts.

(3) To reduce the burdens imposed on analytical personnel of the elements of the intelligence community by current practices regarding the sharing of intelligence among elements of the intelligence community.

(d) COMMENCEMENT.—The Director shall commence the pilot program under subsection (a) not later than December 31, 2003.

(e) VARIOUS MECHANISMS REQUIRED.—In carrying out the pilot program under subsection (a), the Director shall develop and utilize various mechanisms to facilitate the access to, and the analysis of, intelligence in the databases of the intelligence community by intelligence analysts of other elements of the intelligence community, including the use of so-called “detailees in place”.

(f) SECURITY.—(1) In carrying out the pilot program under subsection (a), the Director shall take appropriate actions to protect against the disclosure and unauthorized use of intelligence in the databases of the elements of the intelligence community which may endanger sources and methods which (as determined by the Director) warrant protection.

(2) The actions taken under paragraph (1) shall include the provision of training on the accessing and handling of information in the databases of various elements of the intelligence community and the establishment of limitations on access to information in such databases to United States persons.

(g) ASSESSMENT.—Not later than February 1, 2004, after the commencement under subsection (d) of the pilot program under subsection (a), the Under Secretary of Defense for Intelligence and the Assistant Director of Central Intelligence for Analysis and Production shall jointly carry out an assessment of the progress of the pilot program in meeting the objectives set forth in subsection (c).

(h) REPORT.—(1) The Director of Central Intelligence shall, in coordination with the Secretary of Defense, submit to the appropriate committees of Congress a report on the assessment carried out under subsection (g).

(2) The report shall include—

(A) a description of the pilot program under subsection (a);

(B) the findings of the Under Secretary and Assistant Director as a result of the assessment;

(C) any recommendations regarding the pilot program that the Under Secretary and the Assistant Director jointly consider appropriate in light of the assessment; and

(D) any recommendations that the Director and Secretary consider appropriate for purposes of the report.

(i) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

SEC. 314. PILOT PROGRAM ON TRAINING FOR INTELLIGENCE ANALYSTS.

(a) PILOT PROGRAM REQUIRED.—(1) The Director of Central Intelligence shall carry out a pilot program to assess the feasibility and advisability of providing for the preparation of selected students for availability for employment as intelligence analysts for the intelligence and intelligence-related activities of the United States through a training program similar to the Reserve Officers’ Training Corps programs of the Department of Defense.

(2) The pilot program shall be known as the Intelligence Community Analyst Training Program.

(b) ELEMENTS.—In carrying out the pilot program under subsection (a), the Director shall establish and maintain one or more cadres of students who—

(1) participate in such training as intelligence analysts as the Director considers appropriate; and

(2) upon completion of such training, are available for employment as intelligence analysts under such terms and conditions as the Director considers appropriate.

(c) DURATION.—The Director shall carry out the pilot program under subsection (a) during fiscal years 2004 through 2006.

(d) LIMITATION ON NUMBER OF MEMBERS DURING FISCAL YEAR 2004.—The total number of individuals participating in the pilot program under subsection (a) during fiscal year 2004 may not exceed 150 students.

(e) RESPONSIBILITY.—The Director shall carry out the pilot program under subsection (a) through the Assistant Director of Central Intelligence for Analysis and Production.

(f) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Director shall submit to Congress a preliminary report on the pilot program under subsection (a), including a description of the pilot program and the authorities to be utilized in carrying out the pilot program.

(2) Not later than one year after the commencement of the pilot program, the Director shall submit to Congress a report on the pilot program. The report shall include—

(A) a description of the activities under the pilot program, including the number of individuals who participated in the pilot program and the training provided such individuals under the pilot program;

(B) an assessment of the effectiveness of the pilot program in meeting the purpose of the pilot program; and

(C) any recommendations for additional legislative or administrative action that the Director considers appropriate in light of the pilot program.

(g) FUNDING.—Of the amounts authorized to be appropriated by this Act, \$8,000,000 shall be available in fiscal year 2004 to carry out this section.

SEC. 315. EXTENSION OF NATIONAL COMMISSION FOR THE REVIEW OF THE RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

Section 1007(a) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2442; 50 U.S.C. 401 note) is amended by striking “September 1, 2003,” and inserting “September 1, 2004.”.

SEC. 316. BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY.

(a) FINDINGS.—Congress makes the following findings:

(1) Funds within the National Foreign Intelligence Program often must be shifted from program to program and from fiscal year to fiscal year to address funding shortfalls caused by significant increases in the costs of acquisition of major systems by the intelligence community.

(2) While some increases in the costs of acquisition of major systems by the intelligence community are unavoidable, the magnitude of growth in the costs of acquisition of many major systems indicates a systemic bias within the intelligence community to underestimate the costs of such acquisition, particularly in the preliminary stages of development and production.

(3) Decisions by Congress to fund the acquisition of major systems by the intelligence community rely significantly upon initial estimates of the affordability of acquiring such major systems and occur within a context in which funds can be allocated for a variety of alternative programs. Thus, substantial increases in costs of acquisition of major systems place significant burdens on the availability of funds for other programs and new proposals within the National Foreign Intelligence Program.

(4) Independent cost estimates, prepared by independent offices, have historically represented a more accurate projection of the costs of acquisition of major systems.

(5) Recognizing the benefits associated with independent cost estimates for the acquisition of major systems, the Secretary of Defense has built upon the statutory requirement in section 2434 of title 10, United States Code, to develop

and consider independent cost estimates for the acquisition of such systems by mandating the use of such estimates in budget requests of the Department of Defense.

(6) The mandatory use throughout the intelligence community of independent cost estimates for the acquisition of major systems will assist the President and Congress in the development and funding of budgets which more accurately reflect the requirements and priorities of the United States Government for intelligence and intelligence-related activities.

(b) **BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS.**—Title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.) is amended by inserting after section 506 the following new section:

“**BUDGET TREATMENT OF COSTS OF ACQUISITION OF MAJOR SYSTEMS BY THE INTELLIGENCE COMMUNITY**

“**SEC. 506A.** (a) **INDEPENDENT COST ESTIMATES.**—(1) The Director of Central Intelligence shall, in consultation with the head of each element of the intelligence community concerned, prepare an independent cost estimate of the full life-cycle cost of development, procurement, and operation of each major system to be acquired by the intelligence community.

“(2) Each independent cost estimate for a major system shall, to the maximum extent practicable, specify the amount required to be appropriated and obligated to develop, procure, and operate the major system in each fiscal year of the proposed period of development, procurement, and operation of the major system.

“(3)(A) In the case of a program of the intelligence community that qualifies as a major system, an independent cost estimate shall be prepared before the submission to Congress of the budget of the President for the first fiscal year in which appropriated funds are anticipated to be obligated for the development or procurement of such major system.

“(B) In the case of a program of the intelligence community for which an independent cost estimate was not previously required to be prepared under this section, including a program for which development or procurement commenced before the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, if the aggregate future costs of development or procurement (or any combination of such activities) of the program will exceed \$500,000,000 (in current fiscal year dollars), the program shall qualify as a major system for purposes of this section, and an independent cost estimate for such major system shall be prepared before the submission to Congress of the budget of the President for the first fiscal year thereafter in which appropriated funds are anticipated to be obligated for such major system.

“(4) The independent cost estimate for a major system shall be updated upon—

“(A) the completion of any preliminary design review associated with the major system;

“(B) any significant modification to the anticipated design of the major system; or

“(C) any change in circumstances that renders the current independent cost estimate for the major system inaccurate.

“(5) Any update of an independent cost estimate for a major system under paragraph (4) shall meet all requirements for independent cost estimates under this section, and shall be treated as the most current independent cost estimate for the major system until further updated under that paragraph.

“(b) **PREPARATION OF INDEPENDENT COST ESTIMATES.**—(1) The Director shall establish within the Office of the Deputy Director of Central Intelligence for Community Management an office which shall be responsible for preparing independent cost estimates, and any updates thereof, under subsection (a), unless a designation is made under paragraph (2).

“(2) In the case of the acquisition of a major system for an element of the intelligence commu-

nity within the Department of Defense, the Director and the Secretary of Defense shall provide that the independent cost estimate, and any updates thereof, under subsection (a) be prepared by an entity jointly designated by the Director and the Secretary in accordance with section 2434(b)(1)(A) of title 10, United States Code.

“(c) **UTILIZATION IN BUDGETS OF PRESIDENT.**—If the budget of the President requests appropriations for any fiscal year for the development or procurement of a major system by the intelligence community, the President shall request in such budget an amount of appropriations for the development or procurement, as the case may be, of the major system that is equivalent to the amount of appropriations identified in the most current independent cost estimate for the major system for obligation for each fiscal year for which appropriations are requested for the major system in such budget.

“(d) **INCLUSION OF ESTIMATES IN BUDGET JUSTIFICATION MATERIALS.**—The budget justification materials submitted to Congress in support of the budget of the President shall include the most current independent cost estimate under this section for each major system for which appropriations are requested in such budget for any fiscal year.

“(e) **DEFINITIONS.**—In this section:

“(1) The term ‘budget of the President’ means the budget of the President for a fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code.

“(2) The term ‘independent cost estimate’ means a pragmatic and neutral analysis, assessment, and quantification of all costs and risks associated with the acquisition of a major system, which shall be based on programmatic and technical specifications provided by the office within the element of the intelligence community with primary responsibility for the development, procurement, or operation of the major system.

“(3) The term ‘major system’ means any significant program of an element of the intelligence community with projected total development and procurement costs exceeding \$500,000,000 (in current fiscal year dollars), which costs shall include all end-to-end program costs, including costs associated with the development and procurement of the program and any other costs associated with the development and procurement of systems required to support or utilize the program.”

(c) **CLERICAL AMENDMENT.**—The table of contents for the National Security Act of 1947 is amended by inserting after the item relating to section 506 the following new item:

“Sec. 506A. Budget treatment of costs of acquisition of major systems by the intelligence community.”

Subtitle C—Surveillance

SEC. 321. CLARIFICATION AND MODIFICATION OF SUNSET OF SURVEILLANCE-RELATED AMENDMENTS MADE BY USA PATRIOT ACT OF 2001.

(a) **CLARIFICATION.**—Section 224 of the USA PATRIOT ACT of 2001 (Public Law 107-56; 115 Stat. 295) is amended by adding at the end the following new subsection:

“(c) **EFFECT OF SUNSET.**—Effective on December 31, 2005, each provision of law the amendment of which is sunset by subsection (a) shall be revived so as to be in effect as such provision of law was in effect on October 25, 2001.”

(b) **MODIFICATION.**—Subsection (a) of that section is amended by inserting “204,” after “203(c).”

Subtitle D—Reports

SEC. 331. REPORT ON CLEARED INSIDER THREAT TO CLASSIFIED COMPUTER NETWORKS.

(a) **REPORT REQUIRED.**—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the risks to the na-

tional security of the United States of the current computer security practices of the elements of the intelligence community and of the Department of Defense.

(b) **ASSESSMENTS.**—The report under subsection (a) shall include an assessment of the following:

(1) The vulnerability of the computers and computer systems of the elements of the intelligence community, and of the Department of Defense, to various threats from foreign governments, international terrorist organizations, and organized crime, including information warfare (IW), Information Operations (IO), Computer Network Exploitation (CNE), and Computer Network Attack (CNA).

(2) The risks of providing users of local area networks (LANs) or wide-area networks (WANs) of computers that include classified information with capabilities for electronic mail, upload and download, or removable storage media without also deploying comprehensive computer firewalls, accountability procedures, or other appropriate security controls.

(3) Any other matters that the Director and the Secretary jointly consider appropriate for purposes of the report.

(c) **INFORMATION ON ACCESS TO NETWORKS.**—The report under subsection (a) shall also include information as follows:

(1) An estimate of the number of access points on each classified computer or computer system of an element of the intelligence community or the Department of Defense that permit unsupervised uploading or downloading of classified information, set forth by level of classification.

(2) An estimate of the number of individuals utilizing such computers or computer systems who have access to input-output devices on such computers or computer systems.

(3) A description of the policies and procedures governing the security of the access points referred to in paragraph (1), and an assessment of the adequacy of such policies and procedures.

(4) An assessment of viability of utilizing other technologies (including so-called “thin client servers”) to achieve enhanced security of such computers and computer systems through more rigorous control of access to such computers and computer systems.

(d) **RECOMMENDATIONS.**—The report under subsection (a) shall also include such recommendations for modifications or improvements of the current computer security practices of the elements of the intelligence community, and of the Department of Defense, as the Director and the Secretary jointly consider appropriate as a result of the assessments under subsection (b) and the information under subsection (c).

(e) **SUBMITTAL DATE.**—The report under subsection (a) shall be submitted not later than February 15, 2004.

(f) **FORM.**—The report under subsection (a) may be submitted in classified or unclassified form, at the election of the Director.

(g) **DEFINITIONS.**—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

(2) The term “elements of the intelligence community” means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 332. REPORT ON SECURITY BACKGROUND INVESTIGATIONS AND SECURITY CLEARANCE PROCEDURES OF THE FEDERAL GOVERNMENT.

(a) **REPORT REQUIRED.**—The Director of Central Intelligence and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report on the utility and effectiveness of the current security background

investigations and security clearance procedures of the Federal Government in meeting the purposes of such investigations and procedures.

(b) **PARTICULAR REPORT MATTERS.**—In preparing the report, the Director and the Secretary shall address in particular the following:

(1) A comparison of the costs and benefits of conducting background investigations for Secret clearance with the costs and benefits of conducting full field background investigations.

(2) The standards governing the revocation of security clearances.

(c) **RECOMMENDATIONS.**—The report under subsection (a) shall include such recommendations for modifications or improvements of the current security background investigations or security clearance procedures of the Federal Government as the Director and the Secretary jointly consider appropriate as a result of the preparation of the report under that subsection.

(d) **SUBMITTAL DATE.**—The report under subsection (a) shall be submitted not later than February 15, 2004.

(e) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 333. REPORT ON DETAIL OF CIVILIAN INTELLIGENCE PERSONNEL AMONG ELEMENTS OF THE INTELLIGENCE COMMUNITY AND THE DEPARTMENT OF DEFENSE.

(a) **REPORT REQUIRED.**—The Director of Central Intelligence shall, in consultation with the heads of the elements of the intelligence community, submit to the appropriate committees of Congress a report on means of improving the detail or transfer of civilian intelligence personnel between and among the various elements of the intelligence community for the purpose of enhancing the flexibility and effectiveness of the intelligence community in responding to changes in requirements for the collection, analysis, and dissemination of intelligence.

(b) **REPORT ELEMENTS.**—The report under subsection (a) shall—

(1) set forth a variety of proposals on means of improving the detail or transfer of civilian intelligence personnel as described in that subsection;

(2) identify the proposal or proposals determined by the heads of the elements of the intelligence community to be most likely to meet the purpose described in that subsection; and

(3) include such recommendations for such legislative or administrative action as the heads of the elements of the intelligence community consider appropriate to implement the proposal or proposals identified under paragraph (2).

(c) **SUBMITTAL DATE.**—The report under subsection (a) shall be submitted not later than February 15, 2004.

(d) **DEFINITIONS.**—In this section:

(1) The term “appropriate committees of Congress” means—

(A) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(B) the Permanent Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the House of Representatives.

(2) The term “elements of the intelligence community” means the elements of the intelligence community set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(3) The term “heads of the elements of the intelligence community” includes the Secretary of Defense with respect to each element of the intelligence community within the Department of Defense or the military departments.

SEC. 334. REPORT ON MODIFICATIONS OF POLICY AND LAW ON CLASSIFIED INFORMATION TO FACILITATE SHARING OF INFORMATION FOR NATIONAL SECURITY PURPOSES.

(a) **REPORT.**—Not later than four months after the date of the enactment of this Act, the President shall submit to the appropriate committees of Congress a report that—

(1) identifies impediments in current policy and regulations to the sharing of classified information horizontally across and among Federal departments and agencies, and between Federal departments and agencies and vertically to and from agencies of State and local governments and the private sector, for national security purposes, including homeland security;

(2) proposes appropriate modifications of policy, law, and regulations to eliminate such impediments in order to facilitate such sharing of classified information for homeland security purposes, including homeland security; and

(3) outlines a plan of action (including appropriate milestones and funding) to establish the Terrorist Threat Integration Center as called for in the Information on the State of the Union given by the President to Congress under section 3 of Article II of the Constitution of the United States in 2003.

(b) **CONSIDERATIONS.**—In preparing the report under subsection (a), the President shall—

(1) consider the extent to which the reliance on a document-based approach to the protection of classified information impedes the sharing of classified information; and

(2) consider the extent to which the utilization of a database-based approach, or other electronic approach, to the protection of classified information might facilitate the sharing of classified information.

(c) **COORDINATION WITH OTHER INFORMATION SHARING ACTIVITIES.**—In preparing the report under subsection (a), the President shall, to the maximum extent practicable, take into account actions being undertaken under the Homeland Security Information Sharing Act (subtitle I of title VIII of Public Law 107-296; 116 Stat. 2252; 6 U.S.C. 481 et seq.).

(d) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and the Judiciary of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on Armed Services and the Judiciary of the House of Representatives.

SEC. 335. REPORT OF SECRETARY OF DEFENSE AND DIRECTOR OF CENTRAL INTELLIGENCE ON STRATEGIC PLANNING.

(a) **REPORT.**—Not later than February 15, 2004, the Secretary of Defense and the Director of Central Intelligence shall jointly submit to the appropriate committees of Congress a report that assesses progress in the following:

(1) The development by the Department of Defense and the intelligence community of a comprehensive and uniform analytical capability to assess the utility and advisability of various sensor and platform architectures and capabilities for the collection of intelligence.

(2) The improvement of coordination between the Department and the intelligence community on strategic and budgetary planning.

(b) **FORM.**—The report under subsection (a) may be submitted in classified form.

(c) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 336. REPORT ON UNITED STATES DEPENDENCE ON COMPUTER HARDWARE AND SOFTWARE MANUFACTURED OVERSEAS.

(a) **REPORT.**—Not later than February 15, 2004, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the extent of United States dependence on computer hardware or software that is manufactured overseas.

(b) **ELEMENTS.**—The report under subsection (a) shall address the following:

(1) The extent to which the United States currently depends on computer hardware or software that is manufactured overseas.

(2) The extent to which United States dependence on such computer hardware or software is increasing.

(3) The vulnerabilities of the national security and economy of the United States as a result of United States dependence on such computer hardware or software.

(4) Any other matters relating to United States dependence on such computer hardware or software that the Director considers appropriate.

(c) **CONSULTATION WITH PRIVATE SECTOR.**—In preparing the report under subsection (a), the Director may consult, and is encouraged to consult, with appropriate persons and entities in the computer hardware or software industry and with other appropriate persons and entities in the private sector.

(d) **FORM.**—(1) The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(2) The report may be in the form of a National Intelligence Estimate.

(e) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 337. REPORT ON LESSONS LEARNED FROM MILITARY OPERATIONS IN IRAQ.

(a) **REPORT.**—Not later than one year after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the intelligence lessons learned as a result of Operation Iraqi Freedom.

(b) **RECOMMENDATIONS.**—The report under subsection (a) shall include such recommendations on means of improving training, equipment, operations, coordination, and collection of or for intelligence as the Director considers appropriate.

(c) **FORM.**—The report under subsection (a) shall be submitted in classified form.

(d) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committee on Armed Services of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives.

SEC. 338. REPORTS ON CONVENTIONAL WEAPONS AND AMMUNITION OBTAINED BY IRAQ IN VIOLATION OF CERTAIN UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.

(a) **PRELIMINARY REPORT.**—Not later than 120 days after the date of the cessation of hostilities in Iraq (as determined by the President), the Director of the Defense Intelligence Agency shall, after such consultation with the Secretary of State and the Attorney General as the Director considers appropriate, submit to the appropriate committees of Congress a preliminary report on all information obtained by the Department of Defense and the intelligence community on the conventional weapons and ammunition obtained by Iraq in violation of applicable resolutions of

the United Nations Security Council adopted since the invasion of Kuwait by Iraq in August 1990.

(b) **FINAL REPORT.**—(1) Not later than 270 days after the date of the cessation of hostilities in Iraq (as so determined), the Director shall submit to the appropriate committees of Congress a final report on the information described in subsection (a).

(2) The final report under paragraph (1) shall include such updates of the preliminary report under subsection (a) as the Director considers appropriate.

(c) **ELEMENTS.**—Each report under this section shall set forth, to the extent practicable, with respect to each shipment of weapons or ammunition addressed in such report the following:

(1) The country of origin.

(2) Any country of transshipment.

(d) **FORM.**—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Permanent Select Committee on Intelligence and the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 339. REPEAL OF CERTAIN REPORT REQUIREMENTS RELATING TO INTELLIGENCE ACTIVITIES.

(a) **ANNUAL EVALUATION OF PERFORMANCE AND RESPONSIVENESS OF INTELLIGENCE COMMUNITY.**—Section 105 of the National Security Act of 1947 (50 U.S.C. 403-5) is amended by striking subsection (d).

(b) **PERIODIC AND SPECIAL REPORTS ON DISCLOSURE OF INTELLIGENCE INFORMATION TO UNITED NATIONS.**—Section 112 of the National Security Act of 1947 (50 U.S.C. 404g) is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

(c) **ANNUAL REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH COUNTERDRUG ACTIVITIES.**—Section 114 of the National Security Act of 1947 (50 U.S.C. 404i) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively.

(d) **ANNUAL REPORT ON COVERT LEASES.**—Section 114 of the National Security Act of 1947, as amended by this section, is further amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

(e) **ANNUAL REPORT ON PROTECTION OF COVERT AGENTS.**—Section 603 of the National Security Act of 1947 (50 U.S.C. 423) is repealed.

(f) **ANNUAL REPORT ON CERTAIN FOREIGN COMPANIES INVOLVED IN PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.**—Section 827 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2430; 50 U.S.C. 404n-3) is repealed.

(g) **ANNUAL REPORT ON INTELLIGENCE ACTIVITIES OF PEOPLE’S REPUBLIC OF CHINA.**—Section 308 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107; 111 Stat. 2253; 50 U.S.C. 402a note) is repealed.

(h) **ANNUAL REPORT ON COORDINATION OF COUNTERINTELLIGENCE MATTERS WITH FBI.**—Section 811(c) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103-359; 50 U.S.C. 402a(c)) is amended—

(1) by striking paragraph (6); and

(2) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

(i) **REPORT ON POSTEMPLOYMENT ASSISTANCE FOR TERMINATED INTELLIGENCE EMPLOYEES.**—Section 1611 of title 10, United States Code, is amended by striking subsection (e).

(j) **ANNUAL REPORT ON ACTIVITIES OF FBI PERSONNEL OUTSIDE THE UNITED STATES.**—Section 540C of title 18, United States Code, is repealed.

(k) **ANNUAL REPORT ON EXCEPTIONS TO CONSUMER DISCLOSURE REQUIREMENTS FOR NATIONAL SECURITY INVESTIGATIONS.**—Section 604(b)(4) of the Fair Credit Reporting Act (15 U.S.C. 1681b(b)(4)) is amended—

(1) by striking subparagraphs (D) and (E); and

(2) by redesignating subparagraph (F) as subparagraph (D).

(l) **CONFORMING AMENDMENTS.**—Section 507 of the National Security Act of 1947 (50 U.S.C. 415b) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A), (C), (D), (G), (I), (J), and (L); and

(ii) by redesignating subparagraphs (B), (E), (F), (H), (K), (M), and (N) as subparagraphs (A), (B), (C), (D), (E), (F), and (G), respectively; and

(iii) in subparagraph (G), as so redesignated, by striking “section 114(c)” and inserting “section 114(b)”.

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “section 114(b)” and inserting “section 114(a)”;

(ii) in subparagraph (B), by striking “section 114(d)” and inserting “section 114(c)”;

(iii) by striking subparagraphs (C), (E), and (F); and

(iv) by redesignating subparagraphs (D) and (G) as subparagraphs (C) and (D), respectively; and

(2) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(m) **CLERICAL AMENDMENTS.**—

(1) **NATIONAL SECURITY ACT OF 1947.**—The table of contents for the National Security Act of 1947 is amended by striking the item relating to section 603.

(2) **TITLE 18, UNITED STATES CODE.**—The table of sections at the beginning of chapter 33 of title 18, United States Code, is amended by striking the item relating to section 540C.

(n) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on December 31, 2003.

SEC. 340. REPORT ON OPERATIONS OF DIRECTORATE OF INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION AND TERRORIST THREAT INTEGRATION CENTER.

(a) **REPORT REQUIRED.**—The Secretary of Homeland Security shall submit to the appropriate committees of Congress a report on the operations of the Directorate of Information Analysis and Infrastructure Protection of the Department of Homeland Security and the Terrorist Threat Integration Center. The report shall include the following:

(1) An assessment of the operations of the Directorate, including the capability of the Directorate—

(A) to meet personnel requirements, including requirements to employ qualified analysts, and the status of efforts to employ qualified analysts;

(B) to share intelligence information with the other elements of the intelligence community, including the sharing of intelligence information through secure information technology connections between the Directorate and the other elements of the intelligence community;

(C) to disseminate intelligence information, or analyses of intelligence information, to other departments and agencies of the Federal Government and, as appropriate, to State and local governments;

(D) to coordinate with State and local counterterrorism and law enforcement officials;

(E) to access information, including intelligence and law enforcement information, from

the departments and agencies of the Federal Government, including the ability to access, in a timely and efficient manner, all information authorized by section 202 of the Homeland Security Act of 2002 (Public Law 107-296; 6 U.S.C. 122); and

(F) to fulfill, given the current assets and capabilities of the Directorate, the responsibilities set forth in section 201 of the Homeland Security Act of 2002 (6 U.S.C. 121);

(2) A delineation of the responsibilities and duties of the Directorate and of the responsibilities and duties of the Center.

(3) A delineation and summary of the areas in which the responsibilities and duties of the Directorate and the Center overlap.

(4) An assessment of whether the areas of overlap, if any, delineated under paragraph (3) represent an inefficient utilization of the limited resources of the Directorate and the intelligence community.

(5) Such information as the Secretary, in coordination with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, considers appropriate to explain the basis for the establishment and operation of the Center as a “joint venture” of participating agencies rather than as an element of the Directorate reporting directly to the Secretary through the Under Secretary of Homeland Security for Information Analysis and Infrastructure Protection.

(b) **SUBMITTAL DATE.**—The report required by this section shall be submitted not later than May 1, 2004.

(c) **FORM.**—The report required by this section shall be submitted in unclassified form, but may include a classified annex.

(d) **APPROPRIATE COMMITTEES OF CONGRESS DEFINED.**—In this section, the term “appropriate committees of Congress” means—

(1) the Select Committee on Intelligence and the Committees on Governmental Affairs, the Judiciary, and Appropriations of the Senate; and

(2) the Permanent Select Committee on Intelligence, the Select Committee on Homeland Security, and the Committees on the Judiciary and Appropriations of the House of Representatives.

Subtitle E—Other Matters

SEC. 351. EXTENSION OF SUSPENSION OF REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

Section 311 of the Intelligence Authorization Act for Fiscal Year 2002 (Public Law 107-108; 22 U.S.C. 7301 note) is amended—

(1) in the heading, by striking “TWO-YEAR” before “SUSPENSION OF REORGANIZATION”; and

(2) in the text, by striking “ending on October 1, 2003” and inserting “ending on the date that is 60 days after the appropriate congressional committees of jurisdiction (as defined in section 324(d) of that Act (22 U.S.C. 7304(d)) are notified jointly by the Secretary of State (or the Secretary’s designee) and the Director of the Office of Management and Budget (or the Director’s designee) that the operational framework for the office has been terminated”.

SEC. 352. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE MATERIALS.

(a) **CLARIFICATION OF ALIENS AUTHORIZED TO DISTRIBUTE EXPLOSIVE MATERIALS.**—Section 842(d)(7) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “or” at the end;

(2) in subparagraph (B)—

(A) by inserting “or” at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

“(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney

General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

"(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;"

(b) CLARIFICATION OF ALIENS AUTHORIZED TO POSSESS OR RECEIVE EXPLOSIVE MATERIALS.—Section 842(i)(5) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B)—

(A) by inserting "or" at the end of clause (i); and

(B) by striking clauses (iii) and (iv); and

(3) by adding the following new subparagraphs:

"(C) is a member of a North Atlantic Treaty Organization (NATO) or other friendly foreign military force, as determined by the Attorney General in consultation with the Secretary of Defense, who is present in the United States under military orders for training or other military purpose authorized by the United States and the shipping, transporting, possession, or receipt of explosive materials is in furtherance of the authorized military purpose; or

"(D) is lawfully present in the United States in cooperation with the Director of Central Intelligence, and the shipment, transportation, receipt, or possession of the explosive materials is in furtherance of such cooperation;"

SEC. 353. MODIFICATION OF PROHIBITION ON THE NATURALIZATION OF CERTAIN PERSONS.

Section 313(e)(4) of the Immigration and Nationality Act (8 U.S.C. 1424(e)(4)) is amended—

(1) by inserting "when Department of Defense activities are relevant to the determination" after "Secretary of Defense"; and

(2) by inserting "and the Secretary of Homeland Security" after "Attorney General".

SEC. 354. MODIFICATION TO DEFINITION OF FINANCIAL INSTITUTION IN THE RIGHT TO FINANCIAL PRIVACY ACT.

The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(1) (12 U.S.C. 3401(1)), by inserting "except as provided in section 1114," before "means any office"; and

(2) in section 1114 (12 U.S.C. 3414), by adding at the end the following:

"(c) For purposes of this section, the term 'financial institution' has the same meaning as in section 5312(a)(2) of title 31, United States Code, except that, for purposes of this section, such term shall include only such a financial institution any part of which is located inside any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the United States Virgin Islands."

SEC. 355. COORDINATION OF FEDERAL GOVERNMENT RESEARCH ON SECURITY EVALUATIONS.

(a) WORKSHOPS FOR COORDINATION OF RESEARCH.—The National Science Foundation and the Office of Science and Technology Policy shall jointly sponsor not less than two workshops on the coordination of Federal Government research on the use of behavioral, psychological, and physiological assessments of individuals in the conduct of security evaluations.

(b) DEADLINE FOR COMPLETION OF ACTIVITIES.—The activities of the workshops sponsored under subsection (a) shall be completed not later than March 1, 2004.

(c) PURPOSES.—The purposes of the workshops sponsored under subsection (a) are as follows:

(1) To provide a forum for cataloging and coordinating federally-funded research activities

relating to the development of new techniques in the behavioral, psychological, or physiological assessment of individuals to be used in security evaluations.

(2) To develop a research agenda for the Federal Government on behavioral, psychological, and physiological assessments of individuals, including an identification of the research most likely to advance the understanding of the use of such assessments of individuals in security evaluations.

(3) To distinguish between short-term and long-term areas of research on behavioral, psychological, and physiological assessments of individuals in order maximize the utility of short-term and long-term research on such assessments.

(4) To identify the Federal agencies best suited to support research on behavioral, psychological, and physiological assessments of individuals.

(5) To develop recommendations for coordinating future federally-funded research for the development, improvement, or enhancement of security evaluations.

(d) ADVISORY GROUP.—(1) In order to assist the National Science Foundation and the Office of Science and Technology Policy in carrying out the activities of the workshops sponsored under subsection (a), there is hereby established an interagency advisory group with respect to such workshops.

(2) The advisory group shall be composed of the following:

(A) A representative of the Social, Behavioral, and Economic Directorate of the National Science Foundation.

(B) A representative of the Office of Science, and Technology Policy.

(C) The Secretary of Defense, or a designee of the Secretary.

(D) The Secretary of State, or a designee of the Secretary.

(E) The Attorney General, or a designee of the Attorney General.

(F) The Secretary of Energy, or a designee of the Secretary.

(G) The Secretary of Homeland Security, or a designee of the Secretary.

(H) The Director of Central Intelligence, or a designee of the Director.

(I) The Director of the Federal Bureau of Investigation, or a designee of the Director.

(J) The National Counterintelligence Executive, or a designee of the National Counterintelligence Executive.

(K) Any other official assigned to the advisory group by the President for purposes of this section.

(3) The members of the advisory group under subparagraphs (A) and (B) of paragraph (2) shall jointly head the advisory group.

(4) The advisory group shall provide the Foundation and the Office such information, advice, and assistance with respect to the workshops sponsored under subsection (a) as the advisory group considers appropriate.

(5) The advisory group shall not be treated as an advisory committee for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).

(e) REPORT.—Not later than March 1, 2004, the National Science Foundation and the Office of Science and Technology Policy shall jointly submit Congress a report on the results of activities of the workshops sponsored under subsection (a), including the findings and recommendations of the Foundation and the Office as a result of such activities.

(f) FUNDING.—(1) Of the amount authorized to be appropriated for the Intelligence Community Management Account by section 104(a), \$500,000 shall be available to the National Science Foundation and the Office of Science and Technology Policy to carry out this section.

(2) The amount authorized to be appropriated by paragraph (1) shall remain available until expended.

SEC. 356. TECHNICAL AMENDMENTS.

(a) NATIONAL SECURITY ACT OF 1947.—Subsection (c)(1) of section 112 of the National Security

Act of 1947, as redesignated by section 339(b) of this Act, is further amended by striking "section 103(c)(6)" and inserting "section 103(c)(7)".

(b) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—(1) Section 5(a)(1) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(1)) is amended by striking "(c)(6)" each place it appears and inserting "(c)(7)".

(2) Section 6 of that Act (50 U.S.C. 403g) is amended by striking "section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))" and inserting "section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))".

(2) Section 15 of that Act (50 U.S.C. 403o) is amended—

(A) in subsection (a)(1), by striking "special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes' (40 U.S.C. 318)," and inserting "officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,"; and

(B) in subsection (b), by striking "the fourth section of the Act referred to in subsection (a) of this section (40 U.S.C. 318c)" and inserting "section 1315(c)(2) of title 40, United States Code".

(c) NATIONAL SECURITY AGENCY ACT OF 1959.—Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended—

(1) in subsection (1), by striking "special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes' (40 U.S.C. 318)" and inserting "officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,"; and

(2) in subsection (b), by striking "the fourth section of the Act referred to in subsection (a) (40 U.S.C. 318c)" and inserting "section 1315(c)(2) of title 40, United States Code".

(d) INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003.—Section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2399; 50 U.S.C. 404n-2) is amended—

(1) in subsection (c), by striking "section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))" and inserting "section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))"; and

(2) in subsection (e)(2), by striking "section 103(c)(6)" and inserting "section 103(c)(7)".

(e) PUBLIC LAW 107-173.—Section 201(c)(3)(F) of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107-173; 116 Stat. 548; 8 U.S.C. 1721(c)(3)(F)) is amended by striking "section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(6))" and inserting "section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403-3(c)(7))".

SEC. 357. TREATMENT OF CLASSIFIED INFORMATION IN MONEY LAUNDERING CASES.

Section 5318A of title 31, United States Code, is amended by adding at the end the following:

"(f) CLASSIFIED INFORMATION.—In any judicial review of a finding of the existence of a primary money laundering concern, or of the requirement for 1 or more special measures with respect to a primary money laundering concern, made under this section, if the designation or imposition, or both, were based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C.

App.), such information may be submitted by the Secretary to the reviewing court *ex parte* and in camera. This subsection does not confer or imply any right to judicial review of any finding made or required under this section."

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. AMENDMENT TO CERTAIN CENTRAL INTELLIGENCE AGENCY ACT OF 1949 NOTIFICATION REQUIREMENTS.

Section 4(b)(5) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e(b)(5)) is amended inserting " , other than regulations under paragraph (1), " after "Regulations".

SEC. 402. PROTECTION OF CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL FROM TORT LIABILITY.

Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a), or designated by the Director under section 5(a)(4) to carry firearms for the protection of current or former Agency personnel and their immediate families, defectors and their immediate families, and other persons in the United States under Agency auspices, shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such Agency personnel take reasonable action, which may include the use of force, to—

"(A) protect an individual in the presence of such Agency personnel from a crime of violence;

"(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

"(C) prevent the escape of any individual whom such Agency personnel reasonably believe to have committed a crime of violence in the presence of such Agency personnel.

"(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679(d)(1) of title 28, United States Code.

"(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code."

SEC. 403. REPEAL OF OBSOLETE LIMITATION ON USE OF FUNDS IN CENTRAL SERVICES WORKING CAPITAL FUND.

Section 21(f)(2) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

(1) in subparagraph (A), by striking "(A) Subject to subparagraph (B), the Director" and inserting "The Director"; and

(2) by striking subparagraph (B).

SEC. 404. TECHNICAL AMENDMENT TO FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002.

Section 3535(b)(1) of title 44, United States Code, as added by section 1001(b)(1) of the Homeland Security Act of 2002 (Public Law 107-296), and section 3545(b)(1) of title 44, United States Code, as added by section 301(b)(1) of the E-Government Act of 2002 (Public Law 107-347), are each amended by inserting "or any other law" after "1978".

SEC. 405. CONTRIBUTION BY CENTRAL INTELLIGENCE AGENCY EMPLOYEES OF CERTAIN BONUS PAY TO THRIFT SAVINGS PLAN ACCOUNTS.

(a) CSRS PARTICIPANTS.—Section 8351(d) of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) An employee of the Central Intelligence Agency making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project required by section 402(b) of the Intelligence Authorization Act for

Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2403; 50 U.S.C. 403-4 note).

"(B) Contributions under this paragraph are subject to section 8432(d) of this title."

(b) FERS PARTICIPANTS.—Section 8432 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(k)(1) An employee of the Central Intelligence Agency making contributions to the Thrift Savings Fund out of basic pay may also contribute (by direct transfer to the Fund) any part of bonus pay received by the employee as part of the pilot project required by section 402(b) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107-306; 116 Stat. 2403; 50 U.S.C. 403-4 note).

"(2) Contributions under this subsection are subject to subsection (d).

"(3) For purposes of subsection (c), basic pay of an employee of the Central Intelligence Agency shall include bonus pay received by the employee as part of the pilot project referred to in paragraph (1)."

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by transferring sections 105C and 105D to the end of title VII and redesignating such sections, as so transferred, as sections 703 and 704, respectively.

(b) PROTECTION OF OPERATIONAL FILES OF NSA.—Title VII of such Act, as amended by subsection (a), is further amended by adding at the end the following new section:

"OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

"SEC. 705. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—(1) Operational files of the National Security Agency (hereafter in this section referred to as 'NSA') may be exempted by the Director of NSA, in coordination with the Director of Central Intelligence, from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

"(2)(A) In this section, the term 'operational files' means—

"(i) files of the Signals Intelligence Directorate, and its successor organizations, which document the means by which foreign intelligence or counterintelligence is collected through technical systems; and

"(ii) files of the Research Associate Directorate, and its successor organizations, which document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

"(B) Files which are the sole repository of disseminated intelligence, and files that have been accessioned into NSA Archives, or its successor organizations, are not operational files.

"(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

"(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

"(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

"(C) the specific subject matter of an investigation by any of the following for any improperity, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

"(i) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

"(ii) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(iii) The Intelligence Oversight Board.

"(iv) The Department of Justice.

"(v) The Office of General Counsel of NSA.

"(vi) The Office of the Inspector General of the Department of Defense.

"(vii) The Office of the Director of NSA.

"(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

"(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

"(C) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

"(D) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1), and which have been returned to exempted operational files for sole retention shall be subject to search and review.

"(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004, and which specifically cites and repeals or modifies such provisions.

"(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that NSA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

"(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

"(i) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NSA, such information shall be examined *ex parte*, in camera by the court.

"(ii) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

"(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

"(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NSA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

"(II) The court may not order NSA to review the content of any exempted operational file or files in order to make the demonstration required under subclause (I), unless the complainant disputes NSA's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

"(vi) If the court finds under this paragraph that NSA has improperly withheld requested

records because of failure to comply with any provision of this subsection, the court shall order NSA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

"(vii) If at any time following the filing of a complaint pursuant to this paragraph NSA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

"(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence before submission to the court.

"(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from a category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

"(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of a particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

"(3) A complainant that alleges that NSA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

"(A) Whether NSA has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2004 or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether NSA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review."

(c) CONFORMING AMENDMENTS.—(1) Section 701(b) of the National Security Act of 1947 (50 U.S.C. 431(b)) is amended by striking "For purposes of this title" and inserting "In this section and section 702,".

(2) Section 702(c) of such Act (50 U.S.C. 432(c)) is amended by striking "enactment of this title" and inserting "October 15, 1984,".

(3)(A) The title heading for title VII of such Act is amended to read as follows:

"TITLE VII—PROTECTION OF OPERATIONAL FILES".

(B) The section heading for section 701 of such Act is amended to read as follows:

"PROTECTION OF OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY".

(C) The section heading for section 702 of such Act is amended to read as follows:

"DECENNIAL REVIEW OF EXEMPTED CENTRAL INTELLIGENCE AGENCY OPERATIONAL FILES".

(d) CLERICAL AMENDMENTS.—The table of contents for the National Security Act of 1947 is amended—

(1) by striking the items relating to sections 105C and 105D; and

(2) by striking the items relating to title VII and inserting the following new items:

"TITLE VII—PROTECTION OF OPERATIONAL FILES

"Sec. 701. Protection of operational files of the Central Intelligence Agency.

"Sec. 702. Decennial review of exempted Central Intelligence Agency operational files.

"Sec. 703. Protection of operational files of the National Imagery and Mapping Agency.

"Sec. 704. Protection of operational files of the National Reconnaissance Office.

"Sec. 705. Protection of operational files of the National Security Agency."

SEC. 502. PROTECTION OF CERTAIN NATIONAL SECURITY AGENCY PERSONNEL FROM TORT LIABILITY.

Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding any other provision of law, agency personnel designated by the Director of the National Security Agency under subsection (a) shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such agency personnel take reasonable action, which may include the use of force, to—

"(A) protect an individual in the presence of such agency personnel from a crime of violence;

"(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

"(C) prevent the escape of any individual whom such agency personnel reasonably believe to have committed a crime of violence in the presence of such agency personnel.

"(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679(d)(1) of title 28, United States Code.

"(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code."

SEC. 503. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) AUTHORITY.—Funds designated for intelligence or intelligence-related purposes for assistance to the Government of Colombia for counterdrug activities for fiscal year 2004 or 2005, and any unobligated funds available to any element of the intelligence community for such activities for a prior fiscal year, shall be available—

(1) to support a unified campaign against narcotics trafficking and against activities by organizations designated as terrorist organizations (such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)); and

(2) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) TERMINATION OF AUTHORITY.—The authority provided in subsection (a) shall cease to be effective if the Secretary of Defense has credible evidence that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.

(c) APPLICATION OF CERTAIN PROVISIONS OF LAW.—Sections 556, 567, and 568 of Public Law 107-115, section 8093 of the Department of Defense Appropriations Act, 2002, and the numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of Public Law 106-246 shall be applicable to funds made available pursuant to the authority contained in subsection (a).

(d) LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.—No United States Armed Forces personnel or United States civilian contractor employed by the United States will participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting in self defense or rescuing any United States citizen to

include United States Armed Forces personnel, United States civilian employees, and civilian contractors employed by the United States.

SEC. 504. SCENE VISUALIZATION TECHNOLOGIES.

Of the amount authorized to be appropriated by this Act, \$2,500,000 shall be available for the National Imagery and Mapping Agency (NIMA) for scene visualization technologies.

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS ACT OF 2003

Mr. SUNUNU. Mr. President, I ask unanimous consent that the HELP Committee be discharged from further consideration of H.R. 1412, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1412) to provide the Secretary of Education with specific waiver authority to respond to a war or other military operation or national emergency.

There being no objection, the Senate proceeded to consider the bill.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the bill be read a third time and passed, that the motion to reconsider be laid upon the table, and that any statements regarding this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1412) was read the third time and passed.

JAMES L. WATSON UNITED STATES COURT OF INTERNATIONAL TRADE BUILDING

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of H.R. 1018, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1018) to designate the building located at 1 Federal Plaza in New York, New York, as the "James L. Watson United States Court of International Trade Building."

There being no objection, the Senate proceeded to consider the bill.

Mr. SUNUNU. Mr. President, I ask unanimous consent that the bill be read a third time and passed, that the motion to reconsider be laid upon the table, and that any statements regarding this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1018) was read the third time and passed.

PROVIDING FOR ADDITIONAL SPACE AND RESOURCES FOR NATIONAL COLLECTIONS HELD BY THE SMITHSONIAN INSTITUTION

Mr. SUNUNU. Mr. President, I ask unanimous consent that the Senate